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**If you are in any doubt about the contents of this Document or the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have either sold or transferred all of your Ordinary Shares, please send this Document and any other documents, save for any personalised documents, as soon as possible, either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass the documents to the person who now holds the Ordinary Shares, except that such documentation should not be sent to the United States, Canada, Japan, Australia, New Zealand or the Republic of South Africa or any other jurisdiction where it would be unlawful to do so. If you have sold or transferred only part of your holding of Ordinary Shares, please contact the stockbroker, bank or other agent who arranged the sale and transfer as soon as possible.

This Document comprises a circular prepared in accordance with the Listing Rules and the Takeover Code for the purposes of the (1) General Meeting convened pursuant to the Notice of General Meeting set out at the end of this Document and (2) approval of the waiver of the Company's obligations under Rule 9 of the Takeover Code.

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# **PINEWOOD.AI**

AUTOMOTIVE INTELLIGENCE

## **Pinewood Technologies Group plc**

*(incorporated and registered in England & Wales with registered number 02304195)*

### **Approval of waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers in relation to the acquisition of Lithia's majority interest in the Joint Venture in consideration for New Ordinary Shares**

### **Approval of waiver of obligations under Rule 9 and Rule 37 of the City Code on Takeovers and Mergers in relation to the Company's authority to make on-market purchases of its Ordinary Shares**

### **Approval of authority to allot up to 14,560,691 New Ordinary Shares**

**and**

### **Notice of General Meeting**

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This Document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out in Part 2 of this Document, which contains the recommendation by the Independent Directors to vote in favour of the Resolutions to be proposed at the General Meeting.

The Existing Ordinary Shares are admitted to the equity shares (commercial companies) category of the Official List and to trading on the Main Market. Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the equity shares (commercial companies) category of the Official List and to trading on the Main Market, respectively.

No application is currently intended to be made for the Existing Ordinary Shares or the New Ordinary Shares to be admitted to listing or dealing on any other exchange.

Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company as financial adviser and for no-one else in connection with the Acquisition and the matters set out in this Document. Jefferies will not regard any other person (whether or not a recipient of this Document) as its client in relation to the Acquisition and the matters set out in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person in relation

to the Acquisition, the content of this Document or any other transaction, arrangement or matter described in this Document.

Apart from the responsibilities and liabilities, if any, which may be imposed by FSMA or the regulatory regime established thereunder, neither Jefferies nor any of its affiliates, directors, officers, employees or advisers accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, in respect of the contents of this Document including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, the Company, the Directors or any other person in connection with the Company, the Acquisition or any matter described in this Document and nothing in this Document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Jefferies and its affiliates, directors, officers, employees and advisers accordingly disclaims, to the fullest extent permitted by law, all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Document or any such statement.

### **Notice to overseas investors**

This Document may not be distributed, directly or indirectly, in or into the United States, Australia, Canada, Japan, the Republic of South Africa or New Zealand or any other jurisdiction where to do so might constitute a breach of applicable law.

This Document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in the United States or any other jurisdiction in which such offer or solicitation is unlawful. In particular, the securities described in this Document have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or qualified for sale under the laws of any state or other jurisdiction of the United States, and therefore may not be offered or sold, directly or indirectly, in or into the United States or to or for the account or benefit of U.S. persons, as such term is defined in Regulation S under the US Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The securities described in this Document have not been approved or disapproved by the US Securities and Exchange Commission or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the securities or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States. No public offer of securities is being made in the United States.

The securities described in this Document have not been, and will not be, registered or qualified for sale under the applicable laws of Australia, Canada, Japan, the Republic of South Africa or New Zealand, and may not be offered or sold to any national, resident or citizen of Australia, Canada, Japan, the Republic of South Africa or New Zealand, or of any other jurisdiction where to do so might constitute a breach of applicable law (collectively and together with the United States, the “**Excluded Territories**”). No public offer of securities is being made in the Excluded Territories.

The release, publication or distribution of this Document, the Ordinary Shares in or into jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and should observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. Unless otherwise determined by the Company, and permitted by applicable law and regulation, the Acquisition will not be implemented and documentation relating to the Acquisition shall not be made available, directly or indirectly, in, into or from an Excluded Territory where to do so would violate the laws of that jurisdiction. Accordingly, copies of this Document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Excluded Territory and persons with access to this Document and any documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Excluded Territory.

This Document has been prepared for the purpose of complying with English law and applicable regulations and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside of England.

Except in the United Kingdom, no action has been taken to permit the distribution of this Document in any jurisdiction where any action would be required for such purpose. It is the responsibility of each person into whose possession this Document comes to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the distribution of this Document and the receipt of the Ordinary Shares and to obtain any governmental, exchange control or other consents which may be required, comply with other formalities which are required to be observed and pay any issue, transfer or other taxes due in such jurisdiction. To the fullest extent permitted by applicable law, the Company, the Directors, the Group and Jefferies (as defined below) and all other persons involved in the Acquisition disclaim any responsibility or liability for the failure to satisfy any such laws, regulations or requirements by any person.

## Notice to all Shareholders

Notice to all Shareholders convening a General Meeting to be held at Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU on 30 June 2025 at 1.00 p.m. (or as soon thereafter as the AGM has been concluded or adjourned, if later) is set out in Part 5 of this Document. Shareholders will also find enclosed with this Document a Form of Proxy to use in connection with the General Meeting.

To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to be received by the Company's Registrar, MUFG Corporate Markets not later than 1.00 p.m. on 26 June 2025, or in the event of an adjournment of the General Meeting, 48 hours before the time appointed for holding the adjourned General Meeting (not taking into account any part of a day that is not a working day). The Form of Proxy can be delivered by post to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL in accordance with the instructions printed thereon. You may also appoint a proxy online, via <https://www.mypinewoodshares.com/welcome>, via the VOTE+ app, in CREST by completing and transmitting a CREST Proxy Instruction to MUFG Corporate Markets, or via the Proxymity platform (for institutional investors), in each case by no later than 1.00 p.m. on 26 June 2025.

This Document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security. The Company intends to publish the Prospectus, once approved by the FCA, in connection with Admission in due course. Accordingly, this Document has not been approved by or filed with the FCA or the London Stock Exchange. This Document should be read in conjunction with the Prospectus, which will be made available on or around the date of this Document on the Company's website at [www.pinewood.ai/investors](http://www.pinewood.ai/investors).

This Document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of phrases such as "potential", "estimate", "expect", "may", "will", or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No assurance can be given that this information will prove to be correct and such forward-looking statements should not be relied upon. These forward-looking statements speak only as at the date of this Document.

Save as discussed in paragraph 17 of Part 3 of this Document, no statement in this Document is intended as a profit forecast or estimate for any period.

No statement in this Document should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Group, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Group.

This Document is published on 6 June 2025. This Document will be available on the Company's website at [www.pinewood.ai/investors](http://www.pinewood.ai/investors) from the date of this Document, free of charge, subject to certain restrictions relating to persons in any jurisdiction where release, publication or distribution of this Document would constitute a violation of the securities laws of such jurisdiction.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<b>2025</b>
Announcement of the Acquisition and publication of this Circular	6 June
Publication of the Prospectus	6 June
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system and Proxymity	1.00 p.m. on 26 June
Voting record date for attendance and voting at the General Meeting	close of business on 26 June
AGM	12.45 p.m. on 30 June
General Meeting	1.00 p.m. (or as soon thereafter as the AGM has been concluded or adjourned) on 30 June
Date on which the last of the Conditions (save for Admission) are satisfied	a date expected to occur during Q3 2025 and, in any event, prior to the Longstop Date (“D”)
New Ordinary Shares issued and allotted to the Seller	8.00 a.m. on D+2
Admission of, and commencement of dealings in, New Ordinary Shares	8.00 a.m. on D+2
New Ordinary Shares issued and credited to CREST account of the Seller	8.00 a.m. on D+2

### **Completion of the Acquisition**

**D+2**

#### **Notes:**

- (1) *References to times and dates in this Document are to London times and dates (unless otherwise stated).*
- (2) *The dates and timing of the events in the above timetable and in the rest of this Document are indicative only and may be subject to change at the absolute discretion of the Company. If any of the above times or dates should change, the revised times and/or dates will be notified to the Shareholders by an announcement through a RIS.*
- (3) *Certain of the events in the above timetable are conditional upon the satisfaction of the Conditions.*

## ACQUISITION STATISTICS

Closing Price of the Existing Ordinary Shares as at the Latest Practicable Date	399.5 pence
Issue Price for each New Ordinary Share	386.5 pence
Number of Existing Ordinary Shares in issue as at the Latest Practicable Date	100,539,286
Number of New Ordinary Shares to be issued pursuant to the Acquisition	14,560,691
Number of Ordinary Shares in issue immediately following completion of the Acquisition*	115,099,977
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following completion of the Acquisition*	12.7 per cent.
Number of Ordinary Shares held by the Concert Party as at the Latest Practicable Date	22,242,484
Number of Ordinary Shares expected to be held by the Concert Party as a percentage of the Enlarged Share Capital immediately following Completion*	32.0 per cent.
Maximum number of Ordinary Shares expected to be held by the Concert Party as a percentage of the Enlarged Share Capital, in the event that the Company utilises the maximum amount of the Buyback Authority, other than in relation to the buyback of Ordinary Shares held by the Concert Party, based on the Enlarged Share Capital immediately following completion of the Acquisition*	35.5 per cent.

**Notes:**

*\* Assuming that no Ordinary Shares are issued between the Latest Practicable Date and Admission, other than pursuant to the Acquisition.*

*US\$ : £ exchange rate for the purposes of calculating consideration payable USD \$1.00 = £0.7357*

*Being the prevailing rate at close of business on the Latest Practicable Date*

## DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

<b>Directors</b>	William Berman, <i>Chief Executive Officer</i> Oliver Mann, <i>Chief Financial Officer</i> Ian Francis Filby, <i>Non-Executive Chairman</i> Brian Michael Small, <i>Non-Executive Director</i> Dietmar Exler, <i>Senior Independent Director</i> Jemima Bird, <i>Non-Executive Director</i> Christopher Holzshu, <i>Non-Executive Director</i> George Hines, <i>Non-Executive Director</i>
<b>Company Secretary</b>	Oliver Mann
<b>Registered Office and Directors' Business Address</b>	2960 Trident Court, Solihull Parkway Birmingham Business Park Birmingham England, B37 7YN
<b>Financial Adviser to the Company</b>	Jefferies International Limited 100 Bishopsgate London EC2N 4JL
<b>Legal Adviser to the Company as to English law</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
<b>Registrar</b>	MUFG Corporate Markets Central Square, 29 Wellington Street Leeds LS1 4DL
<b>Valuer</b>	Kroll, LLC 1 S. Wacker Drive Suite 700 Chicago, IL 60606

## PART 1

### DEFINITIONS

<b>2023 Annual Report</b>	the annual report and accounts prepared by the Company for the 13-month period ended 31 January 2024
<b>2024 Annual Report</b>	the annual report and accounts prepared by the Company for the 11-month period ended 31 December 2024
<b>Acquisition</b>	the acquisition by the Company of the Majority JV Interests, on the terms and subject to the conditions set out in the Acquisition Agreement
<b>Acquisition Agreement</b>	the agreement entered into between the Company, Lithia, Lithia JVCo, the Seller and Pinewood US dated 6 June 2025, as further described in Part 2 of this Document
<b>Acquisition Waiver</b>	the waiver granted by the Panel (conditional on the approval of the Acquisition Waiver Resolution by the Independent Shareholders on a poll) of the obligation of the Concert Party to make an offer under Rule 9 of the Takeover Code on the allotment and issue to it of the New Ordinary Shares
<b>Acquisition Waiver Resolution</b>	the ordinary resolution of the Independent Shareholders to approve the Acquisition Waiver as set out as resolution 1 in the Notice
<b>Admission</b>	the admission of the New Ordinary Shares (i) to the equity shares (commercial companies) category of the Official List and (ii) to trading on the Main Market
<b>AGM</b>	the annual general meeting of the Company convened by a notice of annual general meeting posted to Shareholders on or around the date of this Document, to be held at 12.45 p.m. on 30 June 2025 at the Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU
<b>Allotment Resolution</b>	the ordinary resolution to provide the Directors with the authority to allot and issue the New Ordinary Shares as set out as resolution 2 in the Notice
<b>Board</b>	the board of directors of the Company
<b>Business Day</b>	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the City of London for the transaction of normal banking business
<b>Buyback Authority</b>	the general authority for the Company to make on-market purchases of up to 10 per cent. of its entire issued share capital implemented by way of share buyback, to the extent granted pursuant to the passing of the applicable special resolution at the AGM
<b>Buyback Waiver</b>	the waiver granted by the Panel (conditional on the approval of the Buyback Waiver Resolution by the Independent Shareholders on a poll) of the obligation of the Concert Party to make an offer under Rule 9 of the Takeover Code, as a result of any on-market purchases made pursuant to the Company's exercise of the Buyback Authority
<b>Buyback Waiver Resolution</b>	the ordinary resolution of the Independent Shareholders to approve the Buyback Waiver as set out as resolution 3 in the Notice

<b>Circular</b> or <b>Document</b>	this document, which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Regulation Rules)
<b>Closing Price</b>	the closing middle market quotation in Pounds Sterling of an Existing Ordinary Share as derived from the Daily Official List of the London Stock Exchange on a particular day
<b>Companies Act</b>	the Companies Act 2006, as amended
<b>Company</b> or <b>Pinewood.AI</b>	Pinewood Technologies Group plc, a public limited company incorporated and registered in England and Wales with registered number 02304195
<b>Concert Party</b>	the Seller and Christopher Holzshu
<b>CREST</b>	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended
<b>Daily Official List</b>	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
<b>Directors</b>	the Executive Directors and Non-Executive Directors of the Company as at the date of this Circular
<b>DMS Contract</b>	a five year contract with Lithia to roll-out Pinewood.AI's software to all of Lithia's current and future sites across the US and Canada by the end of 2028 at the latest
<b>DSP</b>	the Company's deferred share plan adopted by Shareholders at the general meeting of the Company on 26 June 2024
<b>Enlarged Share Capital</b>	the Company's ordinary issued share capital following Admission
<b>Euroclear</b>	Euroclear UK & International Limited, the operator of CREST
<b>Executive Directors</b>	William Berman and Oliver Mann
<b>Existing Ordinary Shares</b>	the 100,539,286 Ordinary Shares in issue as at the Latest Practicable Date
<b>FCA</b> or <b>Financial Conduct Authority</b>	the Financial Conduct Authority of the United Kingdom
<b>Form of Proxy</b>	the form of proxy for use by Shareholders at the General Meeting
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>General Meeting</b>	the general meeting of the Company to be held at the Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU at 1.00 p.m. (or as soon thereafter as the AGM has been concluded or adjourned, if later) on 30 June 2025, convened pursuant to the Notice
<b>Group</b>	the Company and each of its subsidiaries and subsidiary undertakings from time to time
<b>Independent Directors</b>	the Directors, other than the Non-Independent Directors

<b>Independent Shareholders</b>	the Shareholders other than the Concert Party
<b>Issue Price</b>	386.5 pence per New Ordinary Share, being the volume-weighted average price of the Ordinary Shares during the thirty-day period preceding the date of this Document
<b>Jefferies</b>	Jefferies International Limited
<b>Joint Venture</b>	Pinewood North America LLC, formed in the State of Delaware, United States of America with state file number 2582992
<b>Joint Venture Agreement</b>	the amended and restated limited liability company agreement dated 1 February 2024 with Pinewood US, Lithia JVCo, the Joint Venture and Lithia
<b>Kroll or Valuer</b>	Kroll, LLC, operating through its Duff & Phelps Valuation Opinions Practice
<b>Latest Practicable Date</b>	the latest practicable date prior to the publication of this Document, being 5 June 2025
<b>Listing Rules</b>	the UK Listing Rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>Lithia</b>	Lithia Motors, Inc., a company formed in the State of Oregon, United States of America with state file number 085131-11 and having its registered office at 150 North Bartlett Street, Medford, OR 97501, USA
<b>Lithia Directors</b>	the individuals set out in paragraph 4.6 of Part 3 of this Document
<b>Lithia Group</b>	Lithia and each of its group undertakings and subsidiaries (including, for the avoidance of doubt, Lithia JVCo and the Seller)
<b>Lithia JVCo</b>	PNA Holding LLC, formed in the State of Delaware, United States of America with state file number 2581588 (a subsidiary of Lithia)
<b>Lithia Pre-Sale Reorganisation</b>	the sale, conveyance, transfer and assignment by Lithia JVCo of the Majority JV Interests to the Seller
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Longstop Date</b>	3 September 2025
<b>LTIP</b>	the Company's long term incentive plan adopted by Shareholders at the general meeting of the Company on 26 June 2024
<b>Main Market</b>	the London Stock Exchange's main market for listed securities
<b>Majority JV Interests</b>	the 51 per cent. common limited liability company membership interests held by Lithia JVCo in the Joint Venture as at the date of this Document and, subject to the completion of the Lithia Pre-Sale Reorganisation, to be held by the Seller immediately prior to completion of the Acquisition
<b>New Ordinary Shares</b>	the 14,560,691 new Ordinary Shares to be allotted and issued to the Seller in connection with the Acquisition
<b>Non-Executive Directors</b>	the Directors, other than the Executive Directors
<b>Non-Independent Directors</b>	Christopher Holzshu and George Hines

<b>Notice</b>	the notice of general meeting which is set out at the end of this Circular
<b>Official List</b>	the Official List of the Financial Conduct Authority pursuant to Part VI of FSMA
<b>Ordinary Shares</b>	ordinary shares of £1.00 each in the capital of the Company
<b>Panel</b>	The Panel on Takeovers and Mergers
<b>Pinewood US</b>	Pinewood US Holdings LLC
<b>Pounds Sterling or £</b>	the lawful currency of the United Kingdom
<b>Prospectus</b>	the prospectus to be published by the Company in respect of Admission on or around the date of this Circular
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules of the FCA made in accordance with section 73A of FSMA
<b>Registrar or MUFG Corporate Markets</b>	MUFG Corporate Markets, a trading name of MUFG Corporate Markets (UK) Limited, a division of MUFG Pension & Market Services, the Company's registrar
<b>Relationship Agreement</b>	the subscription, transfer and relationship agreement dated 31 January 2024 and entered into between the Company, Project Puma Funding Limited and the Seller, as amended from time to time
<b>Resolutions</b>	the Waiver Resolutions and the Allotment Resolution, each as set out in the Notice
<b>RIS</b>	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies
<b>Seller</b>	Lithia UK Holding Limited, a company incorporated in England and Wales with registered number 14523998
<b>Share Plans</b>	the LTIP, together with the Company's deferred share plan and share incentive scheme adopted by Shareholders at the general meeting of the Company on 26 June 2024
<b>Shareholders</b>	the holders of Existing Ordinary Shares
<b>subsidiary</b>	have the meanings given to them by the Companies Act
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Valuation Report</b>	the valuation report dated 4 June 2025 in respect of the Joint Venture, produced by Kroll
<b>Waiver Resolutions</b>	the Buyback Waiver Resolution and the Acquisition Waiver Resolution
<b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>\$</b>	the lawful currency of the United States of America

## PART 2

### LETTER FROM THE CHAIRMAN

# Pinewood Technologies Group plc

(a company incorporated and registered in England & Wales registered No. 02304195)

(the “Company”)

#### **Directors:**

William Berman, *Chief Executive Officer*  
Oliver Mann, *Chief Financial Officer*  
Ian Francis Filby, *Non-Executive Chairman*  
Brian Michael Small, *Non-Executive Director*  
Dietmar Exler, *Senior Independent Director*  
Jemima Bird, *Non-Executive Director*  
Christopher Holzshu, *Non-Executive Director*  
George Hines, *Non-Executive Director*

#### **Registered Office:**

Pinewood Technologies Group plc  
2960 Trident Court Solihull Parkway,  
Birmingham Business Park,  
Birmingham,  
England,  
B37 7YN

6 June 2025

Dear Shareholder

## 1. INTRODUCTION

The Company is currently party to a joint venture between the Company, Pinewood US Holdings LLC (a wholly owned subsidiary of the Company) (“**Pinewood US**”), Lithia Motors, Inc. (“**Lithia**”) and PNA Holding LLC (“**Lithia JVCo**”) (a wholly owned subsidiary of Lithia), administered through Pinewood North America LLC (the “**Joint Venture**”). The Company announced on 6 June 2025 that on 6 June 2025 the Company entered into an agreement (the “**Acquisition Agreement**”) with, *inter alia*, Lithia, Lithia JVCo and Lithia UK Holding Limited (“**Seller**”) to acquire the interests to be held by the Seller in the Joint Venture (subject to the Lithia Pre-Sale Reorganisation) (the “**Majority JV Interests**”) for a total consideration of \$76.5 million (the “**Acquisition**”). The consideration is to be satisfied by the issue of the New Ordinary Shares at a price of 386.5 pence per New Ordinary Share to the Seller (the “**Issue Price**”), being the volume-weighted average price of the Ordinary Shares during the thirty-day period preceding the date of this Document, following which the Company shall assume 100 per cent. ownership in the Joint Venture.

The purpose of this Circular is to:

- explain the background to and the reasons for the Acquisition; and
- recommend that the Shareholders vote in favour of the Resolutions (including the Waiver Resolutions) at the General Meeting convened for 1.00 p.m. (or as soon thereafter as the AGM has been concluded or adjourned) on 30 June 2025 at the Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU.

The issue of Ordinary Shares as consideration in connection with the Acquisition would result in the Concert Party’s holding of Ordinary Shares increasing from approximately 22.1 per cent. of the Company’s total issued share capital (as at the Latest Practicable Date) to approximately 32.0 per cent. of the Company’s total issued share capital. This would therefore trigger an obligation under Rule 9 of the Takeover Code for the Concert Party to make a general offer to acquire all of the Existing Ordinary Shares not held by the Concert Party at a price of 386.5 pence per Existing Ordinary Share, being equal to the Issue Price of the New Ordinary Shares.

In addition, the percentage of Ordinary Shares in which the Concert Party is interested could be increased subsequently as a result of the Company making market purchases of Ordinary Shares, which could result in the Concert Party becoming obliged to make an offer for the entire issued Ordinary Share capital of the Company.

The requirements to make a mandatory offer under Rule 9 of the Takeover Code can be waived by the Panel, if (amongst other things) the Independent Shareholders approve a waiver of the mandatory offer provisions set out in Rule 9 of the Takeover Code. The Independent Directors are therefore seeking the approval of the Independent Shareholders at the General Meeting of: (i) the Acquisition Waiver Resolution, which if approved, will waive the obligations that would otherwise apply to the Concert Party under Rule 9 of the Takeover Code as a result of the issue to it of the New Ordinary Shares; and (ii) the Buyback Waiver Resolution which, if approved, will waive the obligations that would otherwise apply to the Concert Party under Rule 9 and Rule 37 of the Takeover Code as a result of market purchases by the Company of Ordinary Shares pursuant to its annual shareholder authority which will be sought at the AGM. Further details of the Waiver Resolutions are set out in Part 4 of this Document.

Christopher Holzshu and George Hines, being directors of the Company appointed by the Seller pursuant to the terms of the Relationship Agreement, are not considered to be Independent Directors and therefore are not included in the Independent Directors' recommendation relating to the Acquisition and the associated Resolutions, as set out in paragraph 10 of this Part 2 of this Document.

The Independent Directors consider the Acquisition and the associated Resolutions (including the Waiver Resolutions) to be fair and reasonable, as so advised by Jefferies, and in the best interests of the Independent Shareholders and the Company as a whole. In providing its independent advice to the Independent Directors, including as set out in paragraph 9 below, Jefferies has taken into account the Independent Directors' commercial assessments.

The Acquisition Waiver Resolution, if approved, would waive the obligation under Rule 9 of the Takeover Code for the Concert Party to make a general offer to Shareholders as a result of the allotment and issue to it of the New Ordinary Shares. Based on the Enlarged Share Capital immediately following completion of the Acquisition, the Concert Party would hold approximately 32.0 per cent. of the issued share capital of the Company.

The Buyback Waiver Resolution, if approved, would waive the obligation under Rule 9 and Rule 37 of the Takeover Code for the Concert Party to make a general offer to Shareholders as a result of the buyback of Ordinary Shares by the Company. In the event that the Company utilises the maximum amount of the Buyback Authority, on the assumption that none of the Ordinary Shares held by the Concert Party are purchased pursuant to such buyback, based on the Enlarged Share Capital immediately following completion of the Acquisition, the Concert Party would be interested in up to approximately 35.5 per cent. of the issued share capital of the Company.

The Panel has agreed, subject to the approval of Independent Shareholders of the Waiver Resolutions on a poll, to waive any obligations that would otherwise arise on the Concert Party to make a mandatory offer under Rule 9 of the Takeover Code, as further detailed in this Circular.

For the avoidance of doubt, the Acquisition is conditional on, amongst other things, (i) the approval by the Independent Shareholders of the Waiver Resolutions at the General Meeting and (ii) the approval by the Shareholders of the Allotment Resolution at the General Meeting. Therefore, if the Resolutions are not approved, the Acquisition will not proceed.

## **2. DESCRIPTION OF THE ACQUISITION**

Under the current structure of the joint venture, the Company (through Pinewood US) holds 49 per cent. of the equity interest in the Joint Venture whilst Lithia (through Lithia JVCo) holds the remaining 51 per cent. equity interest. A summary of the key terms of the Joint Venture Agreement is set out in paragraph 9.1.10 of Part 3 of this Document.

Pursuant to the Acquisition Agreement, the Company has agreed conditionally to acquire the Majority JV Interests for a total acquisition consideration of \$76.5 million, representing 51 per cent. of the interests in the Joint Venture, which is supported by the Valuation Report prepared by the Valuer, a copy of which is set out at Appendix 1 to this Document. Prior to the completion of the Acquisition, Lithia JVCo will transfer the Majority JV Interests to the Seller pursuant to the Pre-Sale Reorganisation. The consideration for the Acquisition is to be satisfied by the issue of the New Ordinary Shares to the Seller at the Issue Price, following which the Company shall assume 100 per cent. ownership in the Joint Venture.

Kroll's Valuation Report estimates the current fair market value of the Majority JV Interests based on the deployment of Pinewood.AI's DMS platform and layered applications across Lithia's North American footprint (which is the subject of the DMS Contract to be entered into between Pinewood.AI and Lithia on completion of the Acquisition), recognising the commercial difficulty of bringing independent third party dealers onto the Pinewood.AI platform in North America whilst Lithia remains the majority shareholder in the Joint Venture.

Shareholders should note that, based on the agreed purchase price for the Majority JV Interests, the implied valuation of the Company's existing 49 per cent interest in the Joint Venture differs from the carrying value reported in the Company's most recent annual report for the 11-month period ended 31 December 2024 (which reflects the Company's cash contribution to the Joint Venture, net of its share of the Joint Venture's losses during that period).

As at the close of business on the Latest Practicable Date, the Concert Party held 22,242,484 Existing Ordinary Shares, representing approximately 22.1 per cent. of the issued Existing Ordinary Shares. Upon completion of the Acquisition, the Concert Party is expected to hold 36,803,175 Ordinary Shares, representing approximately 32.0 per cent. of the Enlarged Share Capital.

### 3. BACKGROUND TO AND REASONS FOR THE ACQUISITION

On 1 February 2024, the Company, formerly named Pendragon PLC, announced completion of the disposal of its UK Motor and Vehicle Management (PVM) divisions to Lithia (the "**Disposal**"). As a result of the Disposal, the Company no longer retained any of its UK motor business and leasing business and became a pure play Software-as-a-Service ("**SaaS**") business. The Ordinary Shares remained admitted to trading on the Main Market, with the Company operating as a standalone SaaS business under the new company name "Pinewood Technologies Group PLC". In addition, Pinewood.AI and Lithia, through their respective subsidiaries, entered into the Joint Venture Agreement for the principal purpose of co-developing and commercialising in the United States of America and Canada the North American version of Pinewood.AI through investment in a joint venture, which is operated through the Joint Venture. The Company (through Pinewood US) holds 49 per cent. of the equity interest in the Joint Venture and Lithia (through Lithia JVCo) holds the remaining 51 per cent. equity interest.

Notwithstanding the significant progress made in commercialising the Pinewood.AI product and developing the business plan, Pinewood.AI and Lithia have subsequently recognised that further upside could be unlocked from Pinewood.AI obtaining full control of the joint venture. The Company is currently on course to pilot the Pinewood.AI Automotive Intelligence™ platform in Lithia's US stores in the second half of 2025, with a view to commencing the full system rollout into North America in 2026. To date, the joint venture with Lithia has proven highly valuable in accelerating and optimising product development for commercial readiness in the North American market. However, as the Company progresses with the rollout of its platform into the North American market, the Company believes that greater independence from Lithia would enhance Pinewood.AI's value proposition to other North American dealer groups. The current ownership structure of the joint venture, with Lithia holding 51 per cent. equity ownership, has created a "competitor overhang" situation whereby Pinewood.AI believes that other dealer groups are more reluctant to adopt Pinewood.AI's technology as a result of greater competition risk.

The North American opportunity has been a core part of Pinewood.AI's growth strategy since its inception as a standalone business. The North American automotive dealer software market is estimated to be worth over \$6.5 billion, of which the automotive dealership management systems ("**DMS**") market is estimated to be approximately \$2.4 billion. It is currently dominated by two major competitors which hold approximately 70 per cent. of the US DMS market share but Pinewood.AI believes that there is significant opportunity to disrupt the US DMS market and displace old technology stacks and legacy systems with its cloud-based software proposition. The Independent Directors believe that independence from Lithia as a result of the Acquisition will enable Pinewood.AI to enhance its value proposition to a greater number of North American dealer groups and accelerate Pinewood.AI's ability to scale up in the highly attractive and lucrative North American market.

The Independent Directors anticipate that Lithia will remain a supportive partner to Pinewood.AI following the Acquisition, committing, under the DMS Contract, to the full rollout of the Pinewood.AI Automotive Intelligence™ platform across all of its North American stores upon commercial readiness of the product.

Following Completion, Bill Berman, Chief Executive Officer of Pinewood.AI, Ollie Mann, Chief Financial Officer of Pinewood.AI and Dietmar Exler, Senior Independent Non-executive Director of Pinewood.AI, will remain in office as directors and key individuals of the Joint Venture.

As the Acquisition constitutes a related party transaction, Christopher Holzshu and George Hines did not participate in the Board's consideration and approval of the Acquisition. The directors of the Company other than Christopher Holzshu and George Hines, (the "**Independent Directors**") believe that the Acquisition would unlock compelling strategic and commercial opportunities for the Group across North America, and in particular:

- (i) **Unlocking North America:** the Acquisition would unlock broader adoption of the Group's products among North American dealer groups by removing the perceived 'competitor overhang' (a consequence of Lithia's majority stake in the Joint Venture), positioning the Company to capture a significant share of the \$6.5 billion North American automotive dealer software market;
- (ii) **Full Strategic Control:** acquiring Lithia's majority stake in the Joint Venture would give Pinewood.AI complete control over its North American platform, enabling faster execution, greater commercial agility and the ability to fully capitalise on early market momentum as its North American product reaches commercial readiness over the coming months;
- (iii) **Lithia North American Roll-out Terms Agreed:** Pinewood.AI and Lithia have agreed pricing for Lithia's use of Pinewood.AI's DMS platform, layered apps, and third-party integrations pursuant to the DMS Contract, which also secures Lithia's contractual commitment to roll-out Pinewood.AI's software across all current and future sites across the US and Canada by 31 December 2028, subject to the commercial readiness of Pinewood.AI's products for deployment in North America;
- (iv) **Supports Medium-Term Growth Ambitions:** the Independent Directors consider the Acquisition to be a key enabler of Pinewood.AI's medium-term ambition to scale in North America and deliver sustainable EBITDA growth, with an updated medium-term target for the financial year ending 31 December 2028 ("**FY 2028**") to be communicated later this year, following completion of the Acquisition;
- (v) **Enhanced Financial Clarity:** the Acquisition would simplify Pinewood.AI's corporate structure, enabling full revenue consolidation, and enhancing transparency in financial reporting, delivering clearer performance visibility;
- (vi) **Strengthened Strategic Partnership with Lithia:** Lithia remains a key customer and committed long-term minority strategic shareholder, and would be contractually committed to a full roll-out of Pinewood.AI's software across its North American dealerships under the DMS Contract, reinforcing long-term alignment between Pinewood.AI and Lithia; and
- (vii) **Valuation Supported by Independent Opinion:** the acquisition price is underpinned by a third-party valuation from Kroll, which estimates the fair market value of the Majority JV Interests at \$73.0 million and \$86.1 million (based on a discounted cashflow analysis of the roll-out, which is expected to be contractually committed under the DMS Contract, across Lithia's North American sites only).

#### 4. SUMMARY OF TERMS OF THE ACQUISITION

##### *Acquisition*

Pursuant to the Acquisition Agreement, the Company has agreed conditionally to acquire the Majority JV Interests for a total acquisition consideration of \$76.5 million, to be satisfied through the allotment and issue of 14,560,691 New Ordinary Shares to the Seller at the Issue Price.

Completion of the Acquisition is conditional on, amongst other things, (i) the publication of this prospectus, (ii) the passing of the Resolutions at the General Meeting, (iii) the completion by Lithia JVCo and the Seller of a pre-sale reorganisation to transfer the interests in the Joint Venture currently held by Lithia JVCo to the Seller, (iv) the expiry or termination of all waiting periods applicable to the Acquisition under the Hart-Scott Rodino Antitrust Improvements Act of 1976, and (v) Admission (the "**Conditions**"). Completion under the Acquisition Agreement will occur automatically upon Admission. The Acquisition Agreement will terminate if one or more of the Conditions are not satisfied prior to the Longstop Date.

A summary of the key terms of the Acquisition Agreement is set out in paragraph 8.1 of Part 3 of this Document.

### *New Ordinary Shares on Admission*

Pursuant to the Acquisition, 14,560,691 New Ordinary Shares will be allotted and issued to the Seller at the Issue Price.

The New Ordinary Shares will be issued by the Company free of all liens, charges and encumbrances and will, when issued, be fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid with a record date falling after Admission.

There will be no proceeds received by the Company as a result of the issue of the New Ordinary Shares in connection with the Acquisition. There are no commissions, fees or expenses to be charged to investors by the Company.

Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the equity shares (commercial companies) category of the Official List and to trading on the Main Market, respectively. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on the London Stock Exchange during Q3 2025 and an announcement in respect of this will be made by the Company through a RIS and on the Company's website at [www.pinewood.ai/investors](http://www.pinewood.ai/investors). The Company intends to publish the Prospectus in connection with Admission on or around the date of this Document on the Company's website at [www.pinewood.ai/investors](http://www.pinewood.ai/investors).

The New Ordinary Shares will be in registered form and from Admission will be capable of being held in uncertificated form and the title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). The New Ordinary Shares will be admitted with the ISIN GB00BSB7BS06 and SEDOL (Daily Official List) number BSB7BS0, being the same ISIN and SEDOL under which the Existing Ordinary Shares are admitted.

## **5. DILUTIONARY IMPACT OF THE ACQUISITION**

Subject to Admission, 14,560,691 New Ordinary Shares will be issued to the Seller, which will result in the Company's issued share capital increasing by approximately 14.5 per cent. If the Acquisition is completed, Shareholders other than the Concert Party will, as a result, suffer an immediate dilution in their shareholdings following which they will hold, in aggregate, approximately 68.0 per cent. of the Enlarged Share Capital and each Shareholder other than the Concert Party will be diluted by approximately 12.7 per cent.

## **6. RULE 9 WAIVER**

Full details of the Rule 9 Waiver are set out in Part 4 of this Document.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order that it can undertake the Acquisition and allot and issue the New Ordinary Shares and undertake on-market purchases by the Company of the Ordinary Shares pursuant to the Buyback Authority without triggering an obligation on the part of the Concert Party to make a mandatory offer to acquire all of the Ordinary Shares held by Independent Shareholders.

The Panel has agreed, subject to the approval of Independent Shareholders of the Waiver Resolutions (in accordance with Rules 9 and 37 of the Takeover Code) on a poll, to waive any obligations that would otherwise arise on the Concert Party to make a mandatory offer under Rule 9 of the Takeover Code.

In the event that the Waiver Resolutions are passed at the General Meeting, the Concert Party will not be restricted from making an offer for the Company.

## **7. GENERAL MEETING**

The Resolutions will be proposed at the General Meeting. The Notice is set out in Part 5 of this Document.

The Waiver Resolutions are required to be passed in order for the Acquisition to proceed. They will be proposed as ordinary resolutions and, in order to comply with the Takeover Code, will be voted on by a poll by Independent Shareholders only.

For the avoidance of doubt, the Acquisition is conditional, amongst other things, on (i) the approval by the Independent Shareholders of the Waiver Resolutions at the General Meeting and (ii) the approval by the Shareholders of the Allotment Resolution at the General Meeting. Therefore, if the Resolutions are not approved, the Acquisition will not proceed.

The Allotment Resolution will also be voted on by a poll by the Shareholders.

All Shareholders may attend the General Meeting. However, only Independent Shareholders are permitted to vote on the Waiver Resolutions and, accordingly, the Concert Party will not be permitted to vote on the Waiver Resolutions.

## **8. ACTION TO BE TAKEN**

To be entitled to attend, speak and vote at the General Meeting (and for the purpose of determining the number of votes they may cast), Shareholders must be entered on the Company's register of members at close of business on 26 June 2025, or in the case of an adjournment, at the close of business on the date which is two business days before the time of the adjourned meeting.

Shareholders will also find enclosed with this Document a Form of Proxy to use in connection with the General Meeting. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to be received by the Company's Registrar, MUFG Corporate Markets not later than 1.00 p.m. on 26 June 2025, or in the event of an adjournment of the General Meeting, 48 hours before the time appointed for holding the adjourned General Meeting (not taking into account any part of a day that is not a working day).

The Form of Proxy can be delivered by post to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL in accordance with the instructions printed thereon. You may also appoint a proxy online, via <https://www.mypinewoodshares.com/welcome>, via the VOTE+ app, in CREST by completing and transmitting a CREST Proxy Instruction to MUFG Corporate Markets, or via the Proxymity platform (for institutional investors), in each case by no later than 1.00 p.m. on 26 June 2025.

Completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person, if you so wish. All Shareholders may attend the General Meeting. However, only Independent Shareholders are permitted to vote on the Waiver Resolutions and, accordingly, the Concert Party will not be permitted to vote on the Waiver Resolutions.

## **9. INDEPENDENT ADVICE**

In accordance with the requirements of the Takeover Code, the Independent Directors have received competent independent advice from Jefferies regarding the transactions which are the subject of the Waiver Resolutions, the controlling position which they will create and the effect which they will have on Shareholders generally.

## **10. RECOMMENDATION**

The Independent Directors consider the Acquisition and the associated Resolutions (including the Waiver Resolutions) to be fair and reasonable, as so advised by Jefferies, and in the best interests of the Independent Shareholders and the Company as a whole. In providing its independent advice to the Independent Directors, including as set out in paragraph 9 above, Jefferies has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors recommend unanimously that Independent Shareholders vote in favour of the Waiver Resolutions and all Shareholders vote in favour of the Allotment Resolution at the General Meeting, as the Independent Directors intend to do in respect of their own beneficial holdings of Existing Ordinary Shares, which amount to approximately 0.1 per cent., in aggregate, of the Company's total issued share capital as at the Latest Practicable Date.

Yours faithfully

**Ian Filby**  
*Chairman*

## PART 3

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

- 1.1 The Directors accept responsibility for the information contained in this Document (including any expressions of opinion) other than:
- 1.1.1 the recommendation and associated opinion attributed to the Independent Directors (a group which excludes the Non-Independent Directors as they are interested in the outcome of the Resolutions) set out in the letter from the Chairman, for which the Independent Directors take responsibility as set out in paragraph 1.2 of this Part 3 of this Document; and
  - 1.1.2 any information in the document relating to the Lithia Group (including any expressions of opinion), for which the Lithia Directors take responsibility as set out in paragraph 1.3 of this Part 3 of this Document.

To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.2 The Independent Directors take responsibility for the recommendation and associated opinion attributed to them in Part 2 of this Document. To the best of the knowledge and belief of the Independent Directors (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Lithia Directors accept responsibility for any information (including any expression of opinion) in the document relating to the Lithia Group and their immediate families, related trusts and persons connected to them. To the best of the knowledge and belief of the Lithia Directors (who have taken all reasonable care to ensure that this is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. DETAILS OF THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales under the Companies Act as a private company limited by shares and was previously named Pendragon plc between 4 October 1989 and 13 February 2024 with registered number 02304195. On 13 February 2024, the Company changed its name to Pinewood Technologies Group plc following the completion of the disposal of the Company's UK Motor and Leasing businesses to Lithia. The commercial name of the Company is "Pinewood.AI" and its LEI number is 213800VRSPZFOGMMIS18. The Company is domiciled in England and Wales with its registered office at 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN.
- 2.2 As at the Latest Practicable Date, the issued share capital of the Company was 100,539,286 Ordinary Shares and there were no Ordinary Shares held in treasury. There are no restrictions on transfer of issued shares in the capital of the Company, and no such shares hold special rights regarding the control of the Company. All of the Existing Ordinary Shares carry voting rights of one vote per Existing Ordinary Share.
- 2.3 The 2024 Annual Report can be found at <https://pinewood.ai/investors/results/> and has been incorporated into this Document by reference. The 2024 Annual Report sets out detail on the nature of the Company's business and its financial and trading prospects.

#### 3. CURRENT TRADING

- 3.1 Since 31 December 2024, Pinewood.AI's positive momentum has continued with the announcement of five-year contracts with each of Global Auto Holdings plc ("**GAH**") and Volkswagen Group Japan to implement the Pinewood Automotive Intelligence™ platform across their dealerships, the

acquisition of Seez, and the successful completion of an equity fundraising, which was significantly oversubscribed. Pinewood.AI is progressing with the integration of Seez into the Group's systems.

- 3.2 Pinewood.AI remains focused on implementing the market-leading Pinewood Automotive Intelligence™ platform with new customers in the UK (Marshalls and GAH in particular), driving growth in key international geographies, and preparing for the roll-out of its products in North America. Pinewood.AI remains on track to pilot the platform in North America in the second half of 2025, before commencing full roll-out later in 2026. In addition, Pinewood.AI expects to be ready to roll-out its new user experience later this year. Trading in the current year has continued positively, and the Board remains highly confident in the opportunities ahead for Pinewood.AI.

#### **4. DETAILS OF THE SELLER AND LITHIA**

- 4.1 The Seller is a wholly owned subsidiary of Lithia. Lithia is one of the largest automotive retailers in North America providing a wide array of products and services throughout the ownership lifecycle with a proven track record as a pragmatic disruptor providing transparent, convenient experiences for customers and diverse consumer solutions. As at 31 December 2024, Lithia operated 459 locations, representing 52 brands in the United States, the United Kingdom and Canada. Lithia employs approximately 30,000 people and has more than 115,000 vehicles in its inventory.

- 4.2 Lithia's full year 2024 revenue increased 17 per cent. to a record \$36.2 billion from \$31.0 billion in 2023. During 2024, Lithia acquired 146 stores and divested 10 stores, investing \$1.1 billion, net of floor plan debt, to acquire these stores. These acquisitions added \$5.9 billion in annualised revenues. Lithia's 2024 annual report can be found at the following website, <https://investors.lithiadriveway.com/documents-policies>, and has been incorporated into this Document by reference. This sets out detail on the nature of Lithia's business and its financial and trading prospects.

- 4.3 Lithia's long-term strategy to create value for its customers, team members, and shareholders includes the following elements:

##### **4.3.1 *Driving operational excellence, innovation, and diversification***

LAD builds magnetic customer loyalty across its 459 stores, its Driveway and GreenCars e-commerce platforms, and its entire omnichannel ecosystem by focusing on convenient and transparent experiences supported by proprietary data science. Its entrepreneurial model that emphasises personal accountability for its team powers efficient operations and allows dynamic responsiveness to each of our local markets. Its best-in-class performance management reporting provides the foundation to enable high-performing teams to drive its platform's full potential.

##### **4.3.2 *Growth through acquisition and network optimisation***

Lithia's acquisition growth strategy has been financially and culturally successful. Its disciplined approach focuses on acquiring new vehicle franchises in markets ranging from mid-sized regional markets to metropolitan markets. Acquisition of these businesses increases its proximity to consumers throughout North America and the United Kingdom.

Lithia's focus is on expanding its physical network, and one of the criteria it evaluates is a valuation multiple between 3x to 6x of investment in intangibles to estimated annualised adjusted EBITDA, with various factors including location, ability to expand its network and talent considered in determining value.

##### **4.3.3 *Thoughtful capital allocation***

Lithia's current free cash flow deployment strategy has shifted to an allocation of 35 per cent. to 45 per cent. investment in acquisitions, 25 per cent. investment in capital expenditures, innovation, and diversification and 30 per cent. to 40 per cent. in shareholder return in the form of dividends and share repurchases due to current valuation trends in acquisitions relative to stock price performance. During 2024, Lithia utilised \$351.4 million for capital expenditures investing in our existing business and paid \$56.5 million in dividends. As of 31 December 2024, Lithia had available liquidity of approximately \$1.4 billion, which was

comprised of \$225.1 million in unrestricted cash, \$53.4 million in marketable securities, and \$1.1 billion availability on its credit facilities. In addition, Lithia's unfinanced real estate could provide additional liquidity of approximately \$290.0 million.

4.4 The completion of the Acquisition will not have any material effect on Lithia's earnings, assets or liabilities.

4.5 The directors of the Seller as at the date of this Circular are:

Edward Impert  
Tina Miller  
Richard John Thomas  
David Neil Williamson

4.6 The directors of Lithia as at the date of this Circular are:

Sidney B. DeBoer  
Bryan B. DeBoer  
James E. Lentz  
Stacy C. Loretz-Congdon  
Shauna F. McIntyre  
Cassandra McKinney  
Louis P. Miramontes

## **5. INTENTIONS OF LITHIA FOLLOWING ADMISSION**

5.1 Neither the Seller nor Lithia has any intention that, following the increase in its shareholding in the Company as a result of the Acquisition, the business of the Company should be run in any way differently from the manner in which it is run at present. In particular, Lithia remains fully supportive of the Company's management and has itself no intention to:

- 5.1.1 make any change to the future business of the Company or its subsidiaries including the Company's and its subsidiaries' research and development functions;
- 5.1.2 make any change to the continued employment of the employees and management of the Company or any of its subsidiaries, including any material change in the conditions of employment or in the balance of the skills and functions of the employees and management of the Company or any of its subsidiaries;
- 5.1.3 any change to its strategic plans for the Company and the locations of the Company's places of business including the location of the Company's headquarters and headquarters functions;
- 5.1.4 make any change to employer contributions into the Company's pension scheme(s) (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members, and the admission of new members;
- 5.1.5 redeploy the fixed assets of the Company; or
- 5.1.6 make any change to any existing trading facilities for the relevant securities of the Company.

## 6. INTERESTS AND DEALINGS

- 6.1 As at the close of business on the Latest Practicable Date, the following Directors were directly interested in, or had a right to subscribe for the following relevant securities of the Company:

<i>Name</i>	<i>Total number of relevant securities of the Company<sup>(1)</sup></i>	<i>Percentage of the Existing Ordinary Shares</i>
Oliver Mann	32,734	0.0
Christopher Holzshu	28,000	0.0
Dietmar Exler <sup>(2)</sup>	22,300	0.0
Brian Small	26,349	0.0
Jemima Bird	15,627	0.0

(1) These figures do not include any interests in ordinary shares held by the Directors pursuant to the Share Plans. William Berman has been granted LTIP Awards over 1,256,067 Ordinary Shares and DSP awards over 400,495 Ordinary Shares, subject to the terms of the LTIP and DSP respectively. Oliver Mann has been granted LTIP awards over 291,262 Ordinary Shares, subject to the terms of the LTIP.

(2) Dietmar Exler has entered into a binding commitment with the Company pursuant to which he has irrevocably committed to purchase the equivalent of £5,000 of Ordinary Shares in the open market on the 25th of every month (or if the market is closed on that date, on the next day that it is open for trading) until 25 September 2025.

- 6.2 As at the close of business on the Latest Practicable Date, the Concert Party was interested in the following relevant securities of the Company:

<i>Shareholder</i>	<i>No. of Existing Ordinary Shares</i>	<i>Percentage of existing issued ordinary share capital</i>	<i>No. of Ordinary Shares following Admission*</i>	<i>Percentage of Enlarged Share Capital*</i>
Lithia UK Holding Limited	22,214,484	22.1	36,775,175	32.0
Christopher Holzshu	28,000	0.0	28,000	0.0

\* Assuming that no Ordinary Shares are issued between the Latest Practicable Date and Admission, other than pursuant to the Acquisition

- 6.3 During the 12 month period prior to the Latest Practicable Date, the Concert Party dealt in the following relevant securities of the Company:

<i>Shareholder</i>	<i>Transaction Type</i>	<i>Number of relevant securities of the Company</i>	<i>Dealing date</i>	<i>Total consideration</i>
Lithia UK Holding Limited	Acquisition	758,000	7 June 2024	\$2,925,467.65
Lithia UK Holding Limited	Acquisition	1,760,000	14 June 2024	\$6,890,524.96
Lithia UK Holding Limited	Acquisition	628,307	21 June 2024	\$2,419,665.55
Christopher Holzshu	Acquisition	28,000	31 October 2024	£93,800

- 6.4 Save for the interests set out below, as at the close of business on the business day immediately prior to the Latest Practicable Date, Jefferies (including any person controlling, controlled by or under the same control as it) is not (other than as an exempt principal trader or an exempt fund manager) interested in nor has any rights to subscribe for and has no short positions (whether conditional or absolute and whether in the money or otherwise) in any relevant securities of the Company or of the Concert Party:

<i>Holder</i>	<i>Number of Lithia Shares</i>	<i>% of Lithia's Total Issued Share Capital</i>	<i>Nature of Interest</i>
Jefferies Group LLC	1,491	0.0%	Common stock without par value
Jefferies Group LLC	144	0.0%	Short

- 6.5 Save as disclosed above, as at the Latest Practicable Date, neither the Company, the Directors, any of the close relatives and related trusts of the Directors, nor any person who is acting in concert with the Company has any interest in, right to subscribe in respect of or short position (whether conditional or absolute and whether in the money or otherwise) in relation to, any relevant securities of the Seller.
- 6.6 Save as disclosed above, as at the Latest Practicable Date, neither the Directors, any of the close relatives and related trusts of the Directors, nor any person who is acting in concert with the Company has any interest in, right to subscribe in respect of or short position (whether conditional or absolute and whether in the money or otherwise) in relation to, any relevant securities of the Company.
- 6.7 As at the Latest Practicable Date, neither the Company, the Directors, any of the close relatives and related trusts of the Directors, nor any person who is acting in concert with the Company has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 3 on Rule 4.6 of the Takeover Code) any relevant securities of the Seller (save for any borrowed relevant securities of the Seller which have either been on-lent or sold).
- 6.8 Save as set out above, as at the Latest Practicable Date, neither the Concert Party, the Lithia Directors, any of the close relatives and related trusts of the Lithia Directors, nor any other person who is acting in concert with the Seller, has any interest in, right to subscribe in respect of or short position (whether conditional or absolute and whether in the money or otherwise) in relation to, any relevant securities of the Company, nor has any such person dealt in relevant securities during the 12 month period prior to the Latest Practicable Date.
- 6.9 As at the Latest Practicable Date, neither the Concert Party, the Lithia Directors, any of the close relatives and related trusts of the Lithia Directors, nor any other person who is acting in concert with the Seller has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 3 on Rule 4.6 of the Takeover Code) any relevant securities of the Company (save for any borrowed relevant securities of the Company which have either been on-lent or sold).

## 7. DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

- 7.1 The Directors and their functions are as follows:

William Berman, *Chief Executive Officer*  
 Oliver Mann, *Chief Financial Officer*  
 Ian Francis Filby, *Non-Executive Chairman*  
 Brian Michael Small, *Non-Executive Director*  
 Dietmar Exler, *Senior Independent Director*  
 Jemima Bird, *Non-Executive Director*  
 Christopher Holzshu, *Non-Executive Director*  
 George Hines, *Non-Executive Director*

- 7.2 The Executive Directors have service contracts with the Company. The Non-Executive Directors of the Company do not have service contracts and are appointed by letter of appointment. Further details on the Executive Directors' service contracts and the Non-Executive Directors' letters of appointment can be found below:

<i>Name</i>	<i>Date of Service Contract/ Letter of Appointment</i>	<i>Notice Period</i>
William Berman	19 February 2020, as amended on 1 April 2022	12 months
Oliver Mann	1 February 2024	12 months
Ian Filby	11 October 2021, extended by letter dated 13 December 2024	One month
Brian Michael Small	31 December 2022	One month
Dietmar Exler	24 January 2024, extended by letter dated 13 December 2024	One month
Jemima Bird	19 April 2023	One month
Christopher Holzshu	31 January 2024	One month
George Hines	31 January 2024	One month

- 7.3 Particulars of each Director's remuneration (including salary and benefits) for the year ended 31 December 2024 can be found below:

	<i>Base salary /fees £000</i>	<i>Taxable benefits £000</i>	<i>Pension £000</i>	<i>Total fixed £000</i>	<i>Annual bonus £000</i>	<i>LTIP £000</i>	<i>Total variable £000</i>	<i>Total £000</i>
<b>Executive Directors</b>								
William Berman	517	46	31	594	863	-	863	1,457
Oliver Mann	184	22	14	220	300	-	300	520
<b>Non-Executive Directors</b>								
Jemima Bird	55	-	-	55	-	-	-	55
Dietmar Exler	50	-	-	50	-	-	-	50
Ian Filby	138	-	-	138	-	-	-	138
Brian Small	55	-	-	55	-	-	-	55
Christopher Holzshu	8	-	-	8	-	-	-	8
George Hines	8	-	-	8	-	-	-	8

- 7.4 There are no commission or profit sharing arrangements between the Company and any of the Directors. On termination of any Director's service contract, the maximum amount payable by the Company will be determined by the relevant Director's service contract and the Company's remuneration policy in force at that time – as at the Latest Practicable Date such amount includes prorated amounts for salary and benefits, variable incentives and severance.
- 7.5 Save as disclosed above, there are no service contracts or letters of appointment in force between any Director or proposed director of the Company and the Company or any of its subsidiaries and no such contract has been entered into or amended in the last six months preceding the date of this Document.

## 8. OFFER-RELATED ARRANGEMENTS

- 8.1 The following offer-related arrangements has been entered into:

### Acquisition Agreement

The Acquisition Agreement provides for the sale of a 51 per cent. interest in the Joint Venture by the Seller (following a pre-sale reorganisation whereby Lithia JVCo will transfer its 51 per cent. interest in the joint venture to the Seller) to the Company, for a total consideration of \$76.5 million to be satisfied by the issue of the New Ordinary Shares to the Seller.

Completion is conditional upon (i) FCA approval and publication of the Prospectus, (ii) approval by the Shareholders of the Resolutions, (iii) completion of the abovementioned pre-sale reorganisation between the Seller and Lithia JVCo, (iv) the expiry or termination of all waiting periods applicable to the Acquisition under the Hart-Scott Rodino Antitrust Improvements Act of 1976, and (v) Admission (the "**Conditions**"). Completion under the Acquisition Agreement will occur automatically upon Admission. The Acquisition Agreement will terminate if one or more of the Conditions are not satisfied prior to the Longstop Date.

Lithia may terminate the Acquisition Agreement in the event that any of the following occur:

- the recommendation from the Independent Directors to Shareholders to vote in favour of the Resolutions, as set out in paragraph 10 of Part 2 of this Circular is subsequently withdrawn;
- if the FCA does not provide approval to the Prospectus or the Prospectus is not published in accordance with the Prospectus Regulation Rules, prior to 30 June 2025; or
- if the General Meeting has not been held and the Resolutions put to Shareholders, prior to 7 July 2025.

The Acquisition Agreement contains certain restrictions on Lithia and the Seller between the date of the Acquisition Agreement and completion to ensure that the Joint Venture does not depart from its ordinary course of business during that time. The Acquisition Agreement includes certain warranties from all parties relating to their capacity to enter into the Acquisition Agreement, title warranties from

Lithia JVCo and the Seller in relation to its 51 per cent. interest in the Joint Venture, a lock-in restricting the Seller from disposing of the New Ordinary Shares for a period of two years following completion (subject to certain limited customary exceptions, including with the consent of Pinewood.AI) and certain non-compete restrictions on Lithia and the Seller for 12 months post-completion. The lock-in and non-compete restrictions are customary and similar in nature to the terms agreed in the Relationship Agreement and Joint Venture Agreement, as described at paragraphs 9.1.12 and 9.1.10 of this Part 3 respectively).

The Acquisition Agreement is governed by English law and subject to the exclusive jurisdiction of the courts of England and Wales.

## **9. MATERIAL CONTRACTS**

### **Pinewood.AI**

- 9.1 The following contracts, not being contracts entered into in the ordinary course, have been entered into by the Company or other members of the Group in the two years prior to the date of this Circular, or are subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of this Circular) and are, or may be, material:

#### **9.1.1 Acquisition Agreement**

Please refer to paragraph 8.1 above for details.

#### **9.1.2 2025 Sponsor Agreement**

On 6 June 2025, the Company entered into a sponsor agreement with Jefferies pursuant to which the Company appointed Jefferies as sponsor for the purposes of the Acquisition and Admission and to carry out the duties of a sponsor as provided by Chapter 24 of the Listing Rules.

Under the terms of that agreement, the Company has given certain customary representations and warranties, agreed to comply with certain customary undertakings and gave certain customary indemnities to Jefferies. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount. Jefferies is permitted by notice to the Company terminate the agreement in certain customary limited circumstances.

#### **9.1.3 Jefferies Engagement Letter**

On 2 June 2025, the Company entered into an engagement letter with Jefferies pursuant to which the Company appointed Jefferies to provide certain services in connection with the Acquisition and to carry out the duties of a sponsor as provided by the Listing Rules.

Under the terms of that agreement, the Company has agreed to comply with certain customary undertakings and gave certain customary indemnities to Jefferies. The liabilities under those undertakings and indemnities are unlimited as to time and amount. Jefferies is permitted by notice to the Company terminate the agreement in certain customary limited circumstances.

#### **9.1.4 Warrant Instruments**

On 13 February 2025, the Company entered into an ordinary course five year dealer management systems contract with GAH for the implementation by GAH of the Pinewood Automotive Intelligence™ platform into all of its owned dealerships across the UK, North America and Scandinavia. In connection with that contract, the Company, entered into three warrant instruments (together, the “**Warrant Instruments**”), pursuant to which the Company has issued to Kuldeep Billan, being an affiliate of GAH, warrants over a maximum of 6,098,093 new Ordinary Shares (comprising approximately 7 per cent. of the Company's issued share capital as at 13 February 2025) which are exercisable at a strike price of 330.0 pence per Ordinary Share, in certain tranches, subject in each case to the satisfactory

completion of the installation of the Pinewood Automotive Intelligence™ platform into the entirety of each relevant geography. The Warrant Instruments in respect of the European and North American installations by GAH each relate to warrants over 871,156 Ordinary Shares. The Warrant Instrument in respect of the UK installation by GAH relates to warrants over 4,355,781 Ordinary Shares.

The subscription rights in respect of the warrants issued pursuant to the Warrant Instruments may be exercised on a cashless basis and are subject to adjustment in the event of the occurrence of customary adjustment events. All outstanding warrants may be exercised in the event of a takeover of the Company, whether implemented by way of a contractual offer or a statutory scheme of arrangement.

#### 9.1.5 **Seez Acquisition Agreement**

On 20 February 2025, the Company entered into a conditional agreement to acquire the shares in Seez not already owned by the Company for a total consideration of \$42,000,000, which was satisfied through a combination of cash and Ordinary Shares (the **"Seez Acquisition Agreement"**). The Seez Acquisition Agreement was completed on 4 March 2025.

#### 9.1.6 **Placing Agreement**

On 20 February 2025, in connection with the acquisition of Seez, the Company entered into a placing agreement with Jefferies and Joh. Berenberg, Gossler & Co. KG, London Branch (together, the **"Banks"**) pursuant to which the Banks agreed to use reasonable endeavours to procure subscribers for new Ordinary Shares (the **"Placing Agreement"**). The Banks were paid commissions based on the aggregate value of Ordinary Shares issued to subscribers procured by them pursuant to the Placing Agreement. Under the terms of the Placing Agreement, the Company gave certain warranties and indemnities to the Banks which were customary for an agreement of this nature. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount.

#### 9.1.7 **Seez Warranty Deed**

On 20 February 2025, the Company entered into a warranty deed (the **"Warranty Deed"**) pursuant to which the principal shareholder of Seez provided certain warranties and indemnities to the Company in connection with the acquisition of Seez. The warranties contained in the Warranty Deed are backed by a warranty and indemnity insurance policy.

#### 9.1.8 **Seez Subscription Letters**

In connection with the funding of the cash consideration payable by the Company pursuant to the Seez Acquisition Agreement, on 20 February 2025, Brian Small, Rida Andrew Kabrit and Augmented Reality Concepts, LLC entered into agreements pursuant to which they each agreed to subscribe for Ordinary Shares in aggregate sums equal to £20,000, \$600,000 and £1,191,180, respectively, at the issue price determined pursuant to the Placing Agreement. Each subscription was subject to certain customary conditions, and became unconditional on 4 March 2025.

#### 9.1.9 **Seez Lock-In Deeds**

On 4 March 2025, the recipients of Ordinary Shares as consideration pursuant to the Seez Acquisition Agreement, being Rida Andrew Kabrit, Karim Corm, Tarek Kabrit and Zain Fares (the **"Seez Locked-In Parties"**), undertook, subject to certain customary exceptions, not to directly or indirectly, sell, transfer, mortgage, charge, encumber, swap, pledge, grant options over, transmit, distribute, gift, assign, convey or dispose of any legal or beneficial interest in any of such Ordinary Shares for a period of 6 months' from 4 March 2025 pursuant to four lock in deeds between the Company and the Seez Locked-In Parties (the **"Seez Lock-In Deeds"**). The Seez Lock-In Deeds provide for certain limited exceptions to the lock-in undertaking given therein, which include:

- (i) with the prior written consent of the Company, which shall not be unreasonably withheld;

- (ii) transferring or otherwise disposing of Ordinary Shares in accordance with any order made by a court of competent jurisdiction as required by law or regulation;
- (iii) accepting a recommended offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the Takeover Code on or in executing and delivering an irrevocable undertaking to accept such an offer;
- (iv) pursuant to any compromise or arrangement under Section 896 of the Companies Act providing for the acquisition by any person (or any group of persons acting in concert, as such expression is defined in the Takeover Code) of 50 per cent. or more of the Ordinary Shares and which compromise or arrangement has been sanctioned by the courts;
- (v) in connection with any scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company;
- (vi) the disposal of rights to Ordinary Shares issued by the Company by way of a rights issue to fund the take-up of the balance of such rights; and
- (vii) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms of all holders of Ordinary Shares in the Company.

#### 9.1.10 **Joint Venture Agreement**

On 1 February 2024, the Company entered into an amended and restated limited liability company agreement with Pinewood US, the Seller, the Joint Venture and Lithia for the principal purpose of co-developing and commercialising in the United States of America and Canada a North American version of the dealership management system (the “**Joint Venture Agreement**”). The Seller holds 51 per cent. of the equity interests in the Joint Venture and Pinewood US holds the remaining 49 per cent. of the equity interests in the Joint Venture.

The Joint Venture Agreement provides that:

- (i) the board of the Joint Venture shall consist of a maximum of four managers, of whom two shall be appointed by Lithia and two shall be appointed by the Company, and that the member holding a majority of the equity interests in the Joint Venture, being Lithia as at the Latest Practicable Date, has the right to appoint the chairperson of the board of the Joint Venture;
- (ii) the quorum for meetings of managers of the Joint Venture is to be one manager appointed by each of the Company and Lithia, with resolutions being passed by simple majority, and the chairperson having a casting vote;
- (iii) a number of strategic decisions are reserved for shareholders, and require the approval of members holding at least 85 per cent. of membership interests;
- (iv) the Joint Venture Agreement contains restrictions on dilution of Lithia and the Company's interest, and the transfer of such interests, subject to certain exceptions for a period of 5 years from 1 February 2024. Following such initial period, the Joint Venture Agreement includes customary exit provisions, including drag and tag rights; and
- (v) the Joint Venture Agreement is governed by the laws of England and shall be subject to the exclusive jurisdiction of the courts of England, provided that matters under the Joint Venture Agreement governed by the Delaware Act are governed by the laws of Delaware.

#### 9.1.11 **Pendragon Disposal Agreement**

On 18 September 2023, the Company entered into an agreement with Pendragon Group Holdings Limited and the Seller to sell Pendragon NewCo 2 Limited (“**NewCo 2**”) and its subsidiary undertakings (the “**Disposal Group**”) to the Seller (the “**Pendragon Disposal Agreement**”).

### *Consideration*

The consideration received by the Company pursuant to the Pendragon Disposal Agreement was £367 million (subject to certain financial adjustments).

### *Warranties and indemnities*

The Pendragon Disposal Agreement contains warranties and a tax covenant (subject to customary limitations including a maximum financial liability cap of £1.00) granted by the Company to the Seller that are customary for this type of transaction. The aggregate liability of the Company for all other claims under the Pendragon Disposal Agreement shall not exceed an amount equal to 25 per cent. of the consideration thereunder.

### *Non-compete and non-solicit*

The Company and the Seller have given customary non-solicit and non-compete undertakings to the other in relation to the business carried out by the Company (in the case of the Seller) or the Seller (in the case of the Company) and their respective customers, senior employees and suppliers. The undertakings apply for a period of three years and the parties shall procure that their respective group companies also comply with these provisions. Customary carve-outs apply to those undertakings.

### *Governing law and jurisdiction*

The Pendragon Disposal Agreement is governed by and construed in accordance with the laws of England and Wales and the courts of England and Wales have exclusive jurisdiction.

## 9.1.12 **Relationship Agreement**

On the 31 January 2024, the Company, Project Puma Funding Limited (“**Puma**”) and the Seller, a wholly owned subsidiary of Lithia, entered into a subscription, transfer and relationship agreement (the “**Relationship Agreement**”), pursuant to which, subject to the satisfaction of certain conditions, the Seller agreed to subscribe for 279,388,880 ordinary shares of 5 pence each in the capital of the Company at an issue price of approximately 10.74 pence per share.

Pursuant to the Relationship Agreement, the Seller undertook, subject to certain customary exceptions, not to directly or indirectly, sell, transfer, mortgage, charge, encumber, swap, pledge, grant options over, transmit, distribute, gift, assign, convey or dispose of any legal or beneficial interest in any of such Ordinary Shares for a period of two years from admission of the Ordinary Shares to be subscribed for pursuant to the Relationship Agreement. The lock-in undertaking is subject to certain customary limited exceptions, including:

- (i) with the prior written consent of the Company;
- (ii) transferring or otherwise disposing of Ordinary Shares in accordance with any order made by a court of competent jurisdiction as required by law or regulation;
- (iii) accepting a recommended offer (in accordance with the Takeover Code) made to shareholders of the Company (or to all such shareholders other than the relevant offeror and/or any persons acting in concert (as such term is defined in the Takeover Code) with such offeror) to acquire all the issued Ordinary Shares (other than any Ordinary Shares already owned by the relevant offeror and any person acting in concert with such offeror) or to the execution and delivery of an irrevocable undertaking to accept such offer;
- (iv) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own shares which is made on identical terms to all holders of shares in the Company and otherwise complies with the Companies Act;
- (v) transferring or disposing of shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Act;

- (vi) transferring Ordinary Shares pursuant to a compromise or arrangement pursuant to a scheme of arrangement under Part 26 of the Companies Act providing for the acquisition by any person (or group of persons acting in concert, as such expression is defined in the Takeover Code) of 50 per cent. or more of the ordinary share capital of the Company and which compromise or arrangement has been sanctioned by the court;
- (vii) disposing of Ordinary Shares pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; and
- (viii) taking up any Ordinary Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company.

The Company and Puma agreed to give certain warranties to Lithia which were customary for an agreement of this nature. The liabilities under those warranties are unlimited as to time and amount.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on as an independent business. The Relationship Agreement contains, among others, undertakings from the Seller, on behalf of itself and its associates, that: (i) transactions and arrangements with it (and/or any of its associates) will be conducted at arm's length and on normal commercial terms; (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from managing their affairs in accordance with the principles of good corporate governance set out in the UK Corporate Governance Code.

Under the terms of the Relationship Agreement, the Seller has the right to nominate up to two directors to the Board for so long as the Seller is entitled to exercise 10 per cent. or more of the voting rights attaching to the Ordinary Shares. The Relationship Agreement regulates the appointment and removal of any such directors. The Seller has exercised this right and appointed Christopher Holzshu and George Hines as directors of the Company.

#### 9.1.13 **Reverse Transitional Services Agreement**

Pursuant to the Pendragon Disposal Agreement, on 31 January 2024, the Company entered into a reverse transitional services agreement with NewCo 2, to govern the separation and transition of several services and functions required by the Group from the Disposal Group (the “**rTSA**”).

Pursuant to the terms of the rTSA, NewCo 2 agreed to provide, or procure the provision of, certain transitional services including in relation to (but not limited to) legal, utilities, accounting, taxation, expenses, payroll, employee benefits and IT (the “**TSA Services**”) to the Group on the terms of the rTSA, and the parties agreed to co-operate to achieve the separation of the Group from the Disposal Group and migration of the Group from the TSA Services. The rTSA had an initial term of 12 months from completion of the Disposal, which can be extended where the parties, negotiating in good faith, so agree. The rTSA contains customary termination provisions, including the ability for the Company to terminate any TSA Service before the end of the term of 45 days' notice.

The Company agreed to pay a total annual service charge of £300,000, plus certain additional recharges as applicable which are to be paid monthly in arrears. The parties to the rTSA each gave certain warranties to the other which were customary for an agreement of this nature, and the total aggregate liability for each party under such warranties is limited to £300,000.

#### 9.1.14 **Intellectual Property Agreement**

On 31 January 2024, the Company entered into an IP assignment agreement with Pendragon Management Services Limited (the “**IP Assignment Agreement**”). Pursuant to the IP Assignment Agreement, the Company agreed to assign to Pendragon Management Services Limited certain trade marks and domain names together with all trading names and business names in connection with the Disposal for a consideration of £1.00. Such trade marks,

domain names and associated trading names are relevant to the Disposal Group's business only and were not relevant to or required by the Group following completion of the Disposal.

#### 9.1.15 ***Licence and Framework Services Agreement***

On 1 February 2024, Pinewood.AI and the Joint Venture entered into a licence and framework services agreement (the "**Licence and Framework Services Agreement**") for the Joint Venture to commercialise software owned by Pinewood.AI in the United States of America and Canada. Pursuant to the Licence and Framework Services Agreement, the Joint Venture granted the Company a perpetual, royal-free, non-transferable, non-sub-licensable, exclusive licence to edit, market, promote, sell, implement, configure and support the software and deliverables.

The Licence and Framework Services Agreement is intended to operate as a framework under which the parties will document a product development plan and individual statements of work, setting out any software development activities required to be undertaken by Pinewood.AI to facilitate the development, customisation and sale of the software in the North America. The parties will also document a business plan and brand strategy detailing the marketing and sales activity to be undertaken by Joint Venture in respect of the software in the North America. Additionally, the parties agreed to put in place an operating model which details the support services Pinewood.AI will supply in connection with the software. The fees and charges payable in connection with the Licence and Framework Services Agreement are to be set out in individual scopes of work intended to be issued in accordance with such agreement.

Pursuant to the Licence and Framework Services Agreement the parties agreed to enter into an escrow agreement pursuant to which the source code for the software developed by the Joint Venture will be deposited in escrow for the benefit of Joint Venture.

The Licence and Framework Services Agreement shall remain in effect unless terminated by either party on prior written notice in accordance with its terms. Either party may terminate the Licence and Framework Services Agreement, or any statement of work pursuant to the Licence and Framework Services Agreement, immediately on written notice in the event of (in respect of the other party) an insolvency event. Following the release of the source code to the Joint Venture, the Joint Venture may terminate the Licence and Framework Services Agreement or any statement of work pursuant to it by giving written notice to Pinewood.AI.

The maximum aggregate liability of each party under the Licence and Framework Services Agreement will be limited to £20 million per contract year, although each parties liability for death/personal injury, fraud or fraudulent misrepresentation, wilful misconduct or abandonment, liability which cannot be limited by law and intellectual property rights infringement are unlimited.

#### 9.1.16 ***DMS Escrow Software Agreement***

On 1 February 2024, Pinewood.AI, the Joint Venture and NCC Group Escrow Limited (the "**Escrow Agent**") entered into the escrow software agreement required to be entered into pursuant to the Licence and Framework Services Agreement pursuant to which Pinewood.AI has agreed to deposit certain confidential information and intellectual property of the Company with the Escrow Agent for release in certain limited circumstances.

#### 9.1.17 ***Deed of Admission and Amendment***

On 31 October 2023, the Company entered into a deed of admission and amendment to the Pendragon Group Pension Scheme ("**Scheme**") with Pendragon Group Pension Trustees Limited (the "**Trustee**") and NewCo 2 (the "**Deed of Admission and Amendment**"). The Deed of Admission and Amendment is supplemental to a Definitive Deed and Rules dated 24 September 2024 made between the Company and the Trustee (the "**Trust Deed**") to allow for the liabilities of the Company to be formally apportioned to NewCo 2 for the purposes of Regulation 6E of the Occupational Pension Schemes (Employer Debt) Regulations 2005.

#### 9.1.18 **Flexible Apportionment Agreement**

On 13 November 2023, the Company entered into a flexible apportionment arrangement to the Scheme with Trustee and New Employer. Scheme is governed by the Trust Deed and is currently a frozen scheme with effect from 30 November 2023. The Company, Trustee and NewCo 2 agreed that, from the date of completion of the Disposal:

- (i) NewCo 2 substituted the Company as “Principal Employer” of the Scheme;
- (ii) NewCo 2 assumed recallabilities for the liabilities; and
- (iii) the Company ceases to be an employer and a former employer in relation to the Scheme and is discharged from any further liability under the Scheme.

#### 9.1.19 **2023 Sponsor Agreement**

On 20 September 2023, the Company entered into a sponsor agreement with Jefferies pursuant to which the Company appointed Jefferies as sponsor for the purposes of the Disposal and to carry out the duties of a sponsor as provided by Chapter 24 of the Listing Rules (the “**2023 Sponsor Agreement**”).

Under the terms of the 2023 Sponsor Agreement, the Company gave certain customary representations and warranties, agreed to comply with certain customary undertakings and gave certain customary indemnities to Jefferies. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount.

### **Lithia**

- 9.2 Other than those contracts described in paragraph 9.1 to which a member of the Lithia Group is a party, neither Lithia nor any other member of the Lithia Group has entered into any contract (not being a contract entered into in the ordinary course of business) during the two years immediately preceding the date of this Circular that is material in the context of the Lithia Group.

## **10. MIDDLE MARKET QUOTATIONS**

- 10.1 The middle market quotations for the Existing Ordinary Shares, as derived from the Daily Official List, at close of business on the Latest Practicable Date and on the first Business Day of each of the six months immediately preceding the date of this Circular are set out below:

<i>Date</i>	<i>Price per Ordinary Share (in pence)</i>
Latest Practicable Date	399.5
2 June 2025	411.0
1 May 2025	383.0
1 April 2025	329.0
3 March 2025	361.0
3 February 2025	339.0
2 January 2025	357.0

## **11. NO SIGNIFICANT CHANGE**

- 11.1 Save as disclosed in paragraph 3 of Part 2 of this Document and below, there has been no material or significant change in the financial or trading position of the Company since 31 December 2024, being the date to which the latest audited consolidated financial statements for the Company were prepared:

- on 29 April 2025, the Company announced that it had entered into a five-year contract with Volkswagen Group Japan to implement the Group’s platform into all the Volkswagen and Audi dealerships in Japan, comprising approximately 350 dealerships;
- on 4 March 2025, the Company completed the acquisition of Seez App Holding Limited;

- on 21 February 2025, the Group announced the results of an equity fundraise by way of a cash placing to institutional investors, a separate retail offer, and direct subscriptions to the company. In total, 11,325,031 Ordinary Shares were subscribed for at a price of 315 pence per Ordinary Shares. The total gross proceeds from the fundraise were £35.7 million; and
- on 14 February 2025 the Group entered into a five year contract with GAH to implement the Pinewood Automotive Intelligence™ platform. In recognition of the significant scale of this contract, Pinewood.AI has issued warrants to an affiliate of GAH.

## **12. RATINGS INFORMATION**

- 12.1 There are no current ratings or outlooks publicly accorded to the Company by ratings agencies.
- 12.2 Lithia has been rated “BB+” by S&P Global Ratings with a stable outlook and “Ba1” by Moody's Investors Service with a stable outlook.

## **13. PERSONS ACTING IN CONCERT WITH THE COMPANY**

- 13.1 Save for the Directors (together with their close relatives and related trusts) and Jefferies (whose details are set out on page 7 of this Document), there are no persons acting in concert with the Company.

## **14. RELATIONSHIPS BETWEEN THE SELLER, THE DIRECTORS, THE INDEPENDENT SHAREHOLDERS AND THE COMPANY**

- 14.1 Save as set out below, there are no relationships (personal, financial or commercial), arrangements or understandings between the Concert Party and any of the Directors (or their close relatives and related trusts):
- 14.1.1 Christopher Holzshu was appointed as a Non-Executive Director of the Company on 31 January 2024 by the Seller pursuant to the terms of the Relationship Agreement; and
- 14.1.2 George Hines was appointed as a Non-Executive Director of the Company on 31 January 2024 by the Seller pursuant to the terms of the Relationship Agreement.
- 14.2 There are no relationships (personal, financial or commercial), arrangements or understandings between the Concert Party and any of the Independent Shareholders (or their close relatives and related trusts), or any other person who is, or is presumed to be, acting in concert with any such Independent Shareholder.
- 14.3 The Seller has not entered into any agreement, arrangement or understanding with any of the Independent Directors which has any connection with or dependence upon the Waiver Resolutions. In addition, save as disclosed above, there is no agreement, arrangement or understanding having any connection with or dependence upon the Waiver Resolutions between the Seller and any person interested or recently interested in shares in the Company, or any other recent director of the Company.
- 14.4 No agreement, arrangement or understanding exists whereby the legal and/or beneficial ownership of any of the New Ordinary Shares to be issued directly or indirectly to the Seller pursuant to the Acquisition, will be transferred to any other person as a result of the Acquisition or otherwise.
- 14.5 Neither the Seller nor Lithia has entered into any form of incentivisation arrangements with members of the Company's management who are interested in Ordinary Shares and no such incentivisation arrangements are proposed to be entered into.

## **15. CONSENT**

- 15.1 Jefferies has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to it in this Document in the form and context in which they appear.

- 15.2 The Valuation Report set out in Appendix 1 to this Document was produced at the Company's request by Kroll. Kroll has given and has not withdrawn its written consent to the annexure of the Valuation Report to this Document and has authorised the contents of the Valuation Report and the inclusion of its name and the references to it in the form and context in which it is included.

## **16. RULE 29 OF THE TAKEOVER CODE**

- 16.1 For the purposes of Rule 29.5 of the Takeover Code, the Board confirms that Kroll has confirmed to it that an updated valuation, as at the date of this Document, of the Joint Venture valued by Kroll would not be materially different to the valuation given by Kroll as at 4 June 2025 and contained in the Valuation Report.

## **17. PROFIT FORECASTS**

### **17.1 *Pinewood.AI Profit Forecast for the 11-Month Period Ended 31 December 2024***

In the 2024 Annual Report, the Company noted that *"the Board remains confident in its prospects for the Group and expects underlying profit before tax for the full year [FY 2025] to be in line with current market expectations"*. The Company further clarified that, at the time of publication of the 2024 Annual Report, the consensus regarding underlying profit before tax for the financial year ending 31 December 2025 ("**FY 2025**") amounted to £11.0 million (the "**FY 2025 Profit Forecast**"). The FY 2025 Profit Forecast constitutes a profit forecast for the purposes of the Takeover Code. Pinewood.AI's underlying profit before tax is profit before tax excluding items which, in Pinewood.AI management's judgement, need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance for the year or comparability between periods.

The FY 2025 Profit Forecast and the assumptions underpinning it were considered reasonable by the Directors as at that date the FY 2025 Profit Forecast was made, however they were prepared without contemplation of the Acquisition. In the event that the Acquisition completes, the Directors believe that the FY 2025 Profit Forecast is no longer valid. This is principally for the following reasons:

- The Group will need to account for the Acquisition (which was not contemplated at the time the FY 2025 Profit Forecast was made) including the results of purchase price allocations and the knock-on impact in respect of amortisation of any recognised intangible assets. Given the level of judgement and estimation involved in such accounting, the non-cash charges which may arise are likely to alter the Group's forecast of underlying profit before tax for FY 2025; and
- In addition, should the Acquisition complete, this will result in changes to the consolidated revenue recognised in respect of services provided to the Joint Venture which will fully eliminate on consolidation once the Joint Venture becomes a wholly-owned indirect subsidiary of the Company, which are also likely to change the underlying profit before tax of the Group.

Given the complexity and evolving nature of these factors, the Directors believe it would not be appropriate to provide an updated underlying profit before tax forecast for FY 2025 at this time.

However, the Directors intend to provide the market with an FY 2025 underlying EBITDA target, later this year, following completion of the Acquisition. Pinewood.AI's underlying EBITDA comprises earnings before interest, tax, depreciation and amortisation, adjusted for items which in management's judgement need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance of the Group.

### **17.2 *Pinewood.AI Medium-Term Target for the Year Ended 31 December 2027***

Separately, the Company, in the 2024 Annual Report, also guided that the Group would be capable of delivering underlying EBITDA in the financial year ending 31 December 2027 ("**FY 2027**") in the 'mid to high £30 millions' (the "**FY 2027 Medium-Term Target**"). The FY 2027 Medium-Term Target constitutes a profit forecast for the purposes of the Takeover Code.

As with the Existing FY 2025 Profit Forecast, the FY 2027 Medium-Term Target and the assumptions underpinning it were considered reasonable by the Directors as at that date the FY 2027 Medium-Term Target was made, however they were prepared without contemplation of the Acquisition. In the event that the Acquisition completes, the Directors believe that the FY 2027 Medium-Term Target is no longer valid. This is principally because, whilst the accounting of the acquisitions made during FY

2025 should have a less material impact on underlying EBITDA than underlying profit before tax, the Directors consider that the Acquisition will have an impact on the medium-term strategy of the Group's US operations, which in turn may materially impact its FY 2027 financial position (from a revenue, operating and administrative cost perspective).

Given the evolving nature of these factors, the Directors believe it would not be appropriate to provide an updated underlying EBITDA forecast for FY 2027 at this time.

However, the Directors intend to provide the market with an estimate of the underlying EBITDA target for the financial year ending 31 December 2028 ("**FY 2028**"), later this year, following completion of the Acquisition, which both parties believe will significantly enhance its value proposition to other North American dealer groups. It is expected that the FY 2028 underlying EBITDA target would reflect the Company's medium-term prospects, on account of the anticipated ramp-up of its North America operations, both from a revenue and cost perspective.

- 17.3 The Directors remain confident of the prospects for the Group and have provided an update on current trading and future prospects of the Group in paragraph 3 of this Part 3 of this Document.

## **18. DOCUMENTS AVAILABLE FOR INSPECTION**

- 18.1 Copies of the following documents are available on the Company's website: <https://pinewood.ai/investors/> and a hard copy of each of the following documents (other than this Document which has already been provided to you) is available on request in writing or by telephone from the Company Secretary at 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN:

- 18.1.1 this Document;
- 18.1.2 the articles of association of the Company;
- 18.1.3 the consent letter from Jefferies referred to in paragraph 15.1 of this Part 3 of this Document;
- 18.1.4 the 2024 Annual Report;
- 18.1.5 the consent letter from Kroll referred to in paragraph 15.2 of this Part 3 of this Document;
- 18.1.6 the Valuation Report (a copy of which is attached to this Document);
- 18.1.7 the no material difference statement from Kroll referred to in paragraph 15.2 of this Part 3 of this Document; and
- 18.1.8 the Acquisition Agreement.

## **19. DOCUMENTS INCORPORATED BY REFERENCE**

- 19.1 Hard copies of the following documents incorporated by reference will not be sent to the Shareholders or persons with information rights or other persons to whom this Document is being sent unless requested, but are available free of charge on request in writing or by telephone from the Company Secretary at 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN:

- 19.1.1 the 2024 Annual Report; and
- 19.1.2 the 2023 Annual Report.

- 19.2 Copies of the following document, which are incorporated by reference, are available on the Lithia Group's website at the following locations:

- 19.2.1 the by-laws of Lithia: <https://investors.lithiadriveway.com/documents-policies>;
- 19.2.2 the latest financial statements of Lithia: <https://investors.lithiadriveway.com/documents-policies>; and
- 19.2.3 Q1 2025 earnings release: <https://investors.lithiadriveway.com/press-releases/m9trjb1red9hf4lynf5>.

## **PART 4**

### **INFORMATION ON THE TAKEOVER CODE**

#### **1. TAKEOVER CODE**

As an English company which has its shares admitted to: (i) listing on the equity shares (commercial companies) category of the Official List; and (ii) trading on the Main Market, the Company is subject to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

An offer under Rule 9 of the Takeover Code must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, the resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code (although a shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 in these circumstances).

The Company is seeking the approval of the Independent Shareholders for the Waiver Resolutions.

For the purposes of the Takeover Code, persons acting in concert comprise: (i) persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company; and (ii) persons who are presumed to be acting in concert pursuant to the presumptions in the definition of 'acting in concert' within the Takeover Code where such presumptions have not otherwise been rebutted.

Shareholders should note that, if the Waiver Resolutions are approved at the General Meeting, any further increase in the Concert Party's aggregate interest in Ordinary Shares carrying voting rights in the Company beyond 35.5 per cent. of the Company's total voting rights or an acquisition of further Ordinary Shares by the Concert Party, other than pursuant to the Acquisition, will be subject to the provisions of Rule 9 of the Takeover Code.

#### **2. WAIVER RESOLUTIONS**

The Concert Party is currently interested in an aggregate of 22,242,484 Ordinary Shares carrying voting rights in the Company, representing 22.1 per cent. of the total voting rights in the Company. Subject to the passing of the Waiver Resolutions at the General Meeting, as a result of the Acquisition, the Concert Party's holding of Ordinary Shares carrying voting rights in the Company would increase to 32.0 per cent..

Further details of the Acquisition are set out in paragraphs 2 to 5 of Part 2 of this Document.

Under Note 1 of the Notes on Dispensations from Rule 9 of the Takeover Code, the Panel may waive the requirement for a mandatory offer in accordance with Rule 9 of the Takeover Code to be made if, *inter alia*, the shareholders of the Company who are independent of the person(s) who would otherwise be required to make such a mandatory offer, and any person acting in concert with them, pass an ordinary resolution on a poll at a general meeting approving such a waiver. The Panel has agreed, subject to the approval of

Independent Shareholders of the Waiver Resolutions on a poll, to waive any obligations that would otherwise arise on the Concert Party to make a mandatory offer under Rule 9 of the Takeover Code as a result of the (i) allotment and issue to it of the New Ordinary Shares and (ii) Company's on-market purchase of Ordinary Shares pursuant to the Buyback Authority.

As set out above in this paragraph 2 following the Acquisition, the Concert Party is expected to be interested in, in aggregate, Ordinary Shares carrying more than 30 per cent. of the voting rights of the Company but will not hold Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company. Any increase in the Concert Party's interest in Ordinary Shares, or the acquisition of any Ordinary Shares by any persons acting in concert with it, other than as permitted by the Waiver Resolutions, will remain subject to the provisions of Rule 9 of the Takeover Code.

In accordance with the requirements of the Takeover Code, the Independent Directors have received competent independent advice from Jefferies regarding the transactions which are the subject of the Waiver Resolutions, the controlling position which they will create and the effect which they will have on Shareholders generally. The Independent Directors consider the Acquisition and the associated Resolutions (including the Waiver Resolutions) to be fair and reasonable, as so advised by Jefferies, and in the best interests of the Independent Shareholders and the Company as a whole. In providing its independent advice to the Independent Directors, including as set out in paragraph 10 of Part 2 of this Document, Jefferies has taken into account the Independent Directors' commercial assessments.

The Independent Directors consider that the Acquisition and the Waiver Resolutions are not expected to have any effect on the Company's interests, including employment. The Seller has also confirmed that it does not intend to change its strategic plans for the Company.

## PART 5

### NOTICE OF GENERAL MEETING

# PINEWOOD.AI

AUTOMOTIVE INTELLIGENCE

## Pinewood Technologies Group plc

*(incorporated and registered in England & Wales with registered number 02304195)*

*(the "Company")*

**NOTICE IS HEREBY GIVEN** to holders of the Ordinary Shares in the capital of the Company that a general meeting of the Company will be held at 1.00 p.m. (or as soon thereafter as the AGM has been concluded or adjourned, if later) on 30 June 2025 at the Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU (the **"General Meeting"**) to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

### THAT:

1. The waiver granted by the Panel of the obligation that would otherwise arise on the Concert Party to make an offer to the Independent Shareholders pursuant to Rule 9 of the Takeover Code, as a result of an increase in the percentage of shares of the Company carrying voting rights in which the Concert Party would be interested in to 32.0 per cent., resulting from the issuance of 14,560,691 ordinary shares of £1.00 each in the share capital of the Company to the Concert Party (the **"New Ordinary Shares"**) pursuant to the proposed Acquisition, be and is hereby approved (the **"Acquisition Waiver Resolution"**).
2. Subject to Resolution 1 being passed, the directors be authorised generally and unconditionally, in accordance with section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £14,560,691, such authority to expire (unless renewed, varied or revoked by the Company in general meeting) fifteen months after the date this resolution is passed, except that the Company may, before such expiry, make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if such authority had not expired (the **"Allotment Resolution"**). This authority is in addition to, and does not revoke or replace, all unexercised authorities previously granted to the directors.
3. Subject to Resolution 1 and the Buyback Authority being passed, the waiver granted by the Panel of the obligation that would otherwise arise on the Concert Party to make an offer to the Independent Shareholders pursuant to Rule 9 of the Takeover Code, as a result of any market purchases of Ordinary Shares by the Company pursuant to the Buyback Authority, be and is hereby approved (the **"Buyback Waiver Resolution"**).

*In order to comply with the Takeover Code, the vote on the Acquisition Waiver Resolution and the Buyback Waiver Resolution will be by way of a poll and in order to be approved must be passed by more than 50 per cent. of votes cast by the Independent Shareholders present and voting at the General Meeting, in person or by proxy. The Concert Party will not be entitled to, and will not, vote on the Waiver Resolutions.*

*Save where the context requires otherwise, the definitions contained in this Notice of General Meeting shall have the same meanings as in the Circular, of which this Notice forms part.*

By order of the Board

**Ian Filby**

*Chairman*

6 June 2025

Registered Office: 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7Y

## **PART 6**

### **EXPLANATORY NOTES TO NOTICE OF GENERAL MEETING**

#### **1. ATTENDING AND VOTING**

- 1.1 To be entitled to attend, speak and vote at the General Meeting (and for the purpose of determining the number of votes they may cast), Shareholders must be entered on the Company's register of members at close of business on 26 June 2025. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the General Meeting.
- 1.2 All resolutions at the General Meeting will be decided by poll, in accordance with the Takeover Code.

#### **2. SHAREHOLDERS' RIGHT TO ASK QUESTIONS**

- 2.1 Any Shareholder attending the General Meeting has the right to ask questions. The Chairman will ensure that any question relating to the business being dealt with at the General Meeting receives a response, but in accordance with section 319A of the Companies Act, no response need be given if: (i) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on the Company's website, <https://pinewood.ai/investors/>, in the form of an answer to a question; or (iii) the Chairman determines that it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered. The Chairman may determine the order in which questions raised by Shareholders are taken, having due regard for Shareholders present at the General Meeting, Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice.

#### **3. APPOINTMENT OF PROXIES**

- 3.1 Any Shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend electronically and to speak and vote on their behalf at the General Meeting.
- 3.2 A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of General Meeting. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact MUFG Corporate Markets on 0371 664 0391 and +44 (0) 371 664 0391 (international). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email MUFG Corporate Markets at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com).
- 3.3 Appointing a proxy will not prevent a Shareholder from attending and voting at the General Meeting. Alternatively, a hard copy Form of Proxy may be completed. Please return the completed Form of Proxy in the pre-paid envelope provided or to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. To lodge a proxy online, please visit <https://www.mypinewoodshares.com/welcome> and follow the instructions provided. To be valid, the Form of Proxy or other instrument appointing a proxy must be received by the Company's Registrar, MUFG Corporate Markets, by no later than 1.00 p.m. on 26 June 2025.
- 3.4 When appointed as proxy, the Chairman of the General Meeting will cast Shareholder votes as directed by the relevant Shareholder(s). If no voting indication is given, a proxy (and when appointed as proxy, the Chairman of the General Meeting) may vote as he or she thinks fit on the resolutions or on any other business (including amendments to resolutions) which may come before the meeting.

Please note that a “vote withheld” (as it appears on the Form of Proxy or voting instruction form) is not a vote in law and will not be counted in the calculation of the proportion of votes ‘for’ or ‘against’ a resolution.

#### **4. COMPLETION OF A FORM OF PROXY**

- 4.1 A Form of Proxy which may be used to make such appointment and to give proxy instructions accompanies this Notice of General Meeting. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact MUFG on 0371 664 0391 and +44 (0) 371 664 0391 (international). Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email MUFG Corporate Markets at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com).
- 4.2 Please send completed hard copy Forms of Proxy to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. To lodge a proxy online, please visit <https://www.mypinewoodshares.com/welcome> and follow the instructions provided. To be valid, the Form of Proxy or other instrument appointing a proxy must be received by the Company’s Registrar, MUFG Corporate Markets, by no later than 1.00 p.m. on 26 June 2025.
- 4.3 In the case of a member which is a company, a Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- 4.4 Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
- 4.5 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
- 4.6 If more than one valid proxy appointment is submitted, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **5. VOTE+**

- 5.1 Shareholders may also download and use VOTE+, a free app for smartphone and tablet provided by MUFG Corporate Markets, the Company’s Registrar. It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.

Apple App Store



GooglePlay



#### **6. APPOINTMENT OF PROXIES THROUGH CREST**

- 6.1 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

- 6.2 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by MUFG Corporate Markets by no later than 1.00 p.m. on 26 June 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST application host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 6.3 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The CREST manual can be reviewed at [www.euroclear.com](http://www.euroclear.com).
- 6.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## **7. APPOINTMENT OF PROXIES THROUGH PROXYMITY**

- 7.1 If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). Your proxy must be lodged by no later than 1.00 p.m. on 26 June 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity’s associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

## **8. NOMINATED PERSONS**

- 8.1 Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) may, pursuant to an agreement between him/her and the Shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, pursuant to any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
- 8.2 The statement of the rights of the Shareholders in relation to the appointment of proxies in paragraphs 3.1 to 3.4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by the Shareholders.
- 8.3 If you have been nominated to receive general Shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered Shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to it in error. The only

exception to this is where the Company, in exercising one of its powers under the Companies Act, writes to you directly for a response.

## **9. CORPORATE REPRESENTATIVES**

- 9.1 Any Shareholder may appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

## **10. ISSUED SHARE CAPITAL AND TOTAL VOTING RIGHTS**

- 10.1 As of 5 June 2025 (being the latest practicable date prior to the publication of this Notice of General Meeting) the Company's issued share capital consists of 100,539,286 Ordinary Shares, carrying one vote each. The Company has no treasury shares.

## **11. ELECTRONIC COMMUNICATION**

- 11.1 Shareholders may at any time choose to receive all Shareholder documentation in electronic form via the internet, rather than through the post in paper format. Shareholders who decide to register for this option will receive an email each time a statutory document is published on the internet.
- 11.2 Shareholders who wish to receive documentation in electronic form should contact the Company's Registrar, MUFG Corporate Markets, or visit <https://www.mypinewoodshares.com/welcome> and register for the electronic communications service. Any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
- 11.3 A copy of this Notice of General Meeting, and other information required by s311A of the Companies Act can be found at <https://pinewood.ai/investors/home/>.

**Appendix 1**  
**Valuation Report**



**Strictly Confidential:**

June 4, 2025

Pinewood Technologies Group PLC (the "Company")  
2960 Trident Court Solihull Parkway  
Birmingham Business Park  
Birmingham, West Midlands B37 7YN  
United Kingdom

Ladies and Gentlemen:

Kroll, LLC ("Duff & Phelps"), operating through its Duff & Phelps Valuation Opinions Practice, is serving as an independent financial advisor to the board of directors of the Company, specifically to provide a valuation opinion (the "Valuation Opinion") as to the estimated Fair Market Value (defined below) of the 51% ownership interest in the JV (defined below) held by Lithia (defined below) via its wholly owned subsidiary PNA Holding LLC as of June 4, 2025 (the "Valuation Date"). The Valuation Opinion has been prepared for the purposes of the Proposed Transaction (defined below).

**Description of the Proposed Transaction**

The Company proposes to acquire the 51% ownership interest in Pinewood North America, LLC (the "JV") held by Lithia Motors, Inc. ("Lithia") via its wholly owned subsidiary (PNA Holding LLC), in consideration of which the Company will issue new ordinary shares in the capital of the Company to Lithia (the "Proposed Transaction").

**Fair Market Value**

Fair Market Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Valuation Methodology**

The Valuation Opinion has been prepared in compliance with appropriate professional standards and pursuant to the requirements of the UK City Code on Takeovers and Mergers (the "Code") and the prospectus regulation rules of the UK Financial Conduct Authority (the "FCA") (the "Prospectus Regulation Rules"). Duff & Phelps used the discounted cash flow methodology to estimate the Fair Market Value of Lithia's 51% ownership interest in the JV. The discounted cash flow methodology is a valuation technique that provides an estimation of the value of a business based on expectations about the cash flows that the business would generate over time. Beginning with estimations of the annual cash flows expected to be generated over a discrete projection period, these cash flows are converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows is then added to the present value of the residual value for the business at the end of the discrete projection period to arrive at an estimate of fair market value. Duff & Phelps did not rely on alternative

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valuation methodologies, such as a market approach or precedent transaction approach, due to the lack of public companies and target companies in precedent transactions with comparable financial performance metrics as the JV, given that the JV is in the early stages of commercialization in North America.

### Valuation Analysis

In applying the discounted cash flow methodology to arrive at an estimated Fair Market Value, Duff & Phelps held discussions with members of the Company's finance team, including the Company's Chief Financial Officer, and, among other things, reviewed or otherwise took the following into account:

- the standalone base case financial projections of the JV, prepared by management (the "Management Projections"), for the years ending December 31, 2025 through December 31, 2030;
- certain information provided by the Company relating to the business, operations, financial condition and probable future outlook of the JV;
- such other financial analyses and such other information as deemed appropriate for the purposes of this Valuation Opinion.

Beyond the projection period ended December 31, 2030, Duff & Phelps utilized a long-term growth rate of 3.00% and the Gordon Growth perpetuity formula to estimate the terminal value. Duff & Phelps discounted the resulting free cash flows for the 2025 through 2030 period and the terminal value using a discount rate range of 15.50% to 17.50%. This discounted cash flow analysis assesses the current value of the JV on the basis of its existing pipeline which is solely comprised of the roll-out of Pinewood's software to Lithia's entire North American car dealership footprint (with the existing pipeline currently constrained in the view of the Company by Lithia's majority ownership of the JV), and the assumptions of revenue and profitability per Lithia car dealership as provided in the Management Projections.

### Valuation Opinion

Based on the discounted cash flow analysis, Duff & Phelps have concluded on a Fair Market Value range of \$73.0 million to \$86.1 million for Lithia's 51% ownership interest in the JV, as of the Valuation Date.

### Conflicts of Interest / Independence

Other than this Valuation Opinion, during the two years preceding the date of this Valuation Opinion, Duff & Phelps has not had any material relationship with any party to the Proposed Transaction for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated.

### Responsibility Statements

- (i) For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), Duff & Phelps is responsible for this Valuation Opinion and accepts responsibility for the information contained in this Valuation Opinion and confirms that, to the best of its knowledge, the information contained in this Valuation Opinion is in accordance with the facts and the Valuation Opinion makes no omissions likely to affect its import

Save for any responsibility which we have to the Company and any responsibility arising under the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Opinion or our statement above; and

- (ii) For the purposes of the Code, Duff & Phelps is responsible for this Valuation Opinion and accepts responsibility for the information contained in this Valuation Opinion and confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Opinion is in accordance with the facts and contains no omissions likely to affect its import.

Save for any responsibility which we have to the Company and any responsibility arising under the Takeover Code to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Opinion or our statements above.

#### **Consent Statement**

Duff & Phelps consents to the inclusion of the Valuation Opinion in the shareholder circular to be published by the Company pursuant to Rule 9 of the Code and the prospectus to be published by the Company in connection with the admission of new ordinary shares in the capital of the Company to trading on the equity shares (commercial companies) category of the Official List of the FCA and to trading on London Stock Exchange plc's main market for listed securities (the "Prospectus"), and the references to our name in the form and context in which they appear therein and, in respect of the Prospectus, confirming that our consent is given for the purpose of complying with item 1.3 of Annex 3 of assimilated Commission Delegated Regulation (EU) 2019/980 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended.

#### **Professional Credentials**

The Valuation Opinion has been carried out on behalf of Duff & Phelps by David Lee, a managing director and Head of EMEA Transaction Opinions. David has over 15 years of experience in advising companies, boards of directors, special committees, limited partner advisory committees, corporate counsel, trustees, and shareholders.

David specializes in the execution of transaction opinions and valuations in the context of mergers & acquisitions, private placements, and recapitalization transactions. He has provided valuation, fairness and/or solvency opinions in a variety of public and private company transactions and, accordingly, has sufficient current knowledge of the relevant market and the necessary skills and understanding to prepare the Valuation Opinion.

David received his M.B.A. in finance from the Fordham Graduate School of Business and B.S. in finance from The Pennsylvania State University. David holds the Financial Industry Regulatory Authority Series 7 and 63 licenses. David also holds the Chartered Financial Analyst ("CFA") designation.

**Yours sincerely,**

**for and on behalf of Kroll, LLC**



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